S. HRG. 101-224

# BIPARTISAN ACCORD ON CENTRAL AMERICA

## HEARING

BEFORE A

SUBCOMMITTEE OF THE

## COMMITTEE ON APPROPRIATIONS

## UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

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**SPECIAL HEARING**

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# BIPARTISAN ACCORD ON CENTRAL AMERICA

WEDNESDAY, APRIL 12, 1989

U.S. SENATE,
SUBCOMMITTEE ON FOREIGN OPERATIONS,
COMMITTEE ON APPROPRIATIONS,
*Washington, DC.*

The subcommittee met at 10:07 a.m., in room SD–138, Dirksen Senate Office Building, the Hon. Patrick Leahy, (chairman) presiding.

Present: Senators Leahy, Harkin, Mikulski, Kasten, D'Amato, Specter, and Nickles.

Also present: Senator Kerrey.

## DEPARTMENT OF STATE

### SECRETARY OF STATE

STATEMENTS OF:

HON. JAMES A. BAKER, III, SECRETARY OF STATE

MICHAEL KOZAK, ACTING ASSISTANT SECRETARY FOR INTER-AMERICAN AFFAIRS

ACCOMPANIED BY:

MICHAEL MATHESON, DEPUTY LEGAL ADVISER, STATE DEPARTMENT

TED MORSE, DIRECTOR, TASK FORCE ON HUMANITARIAN ASSISTANCE FOR CENTRAL AMERICA

#### OPENING REMARKS OF SENATOR LEAHY

Senator LEAHY. Good morning. Mr. Secretary, welcome to the Foreign Operations Subcommittee and I will note that all Appropriations Committee members have been invited to this hearing.

As you know, we have moved a number of things around to accommodate this hearing and as a result some of the members are going to be coming in and out, but the leadership has made it very clear in consultation with you and with President Bush that this is a matter of great priority and they wish to go forward.

As a result, I will waive any opening statement and urge other Senators to do so. Senator D'Amato is here in lieu of Senator Kasten who has been delayed just slightly on another matter.

The purpose of the hearing is to review with you, Mr. Secretary, the bill to embody the bipartisan accord on Central America, and to explore the meaning of that accord. Our subcommittee is to report to the full committee, which has the responsibility for marking up this bill, possibly later this afternoon.

Mr. Secretary, I know you only have 1 hour with the subcommittee this morning, so we do not have much time. I understand that Mr. Kozak, Acting Assistant Secretary for Inter-American Affairs at State, and others, will remain to answer questions after you must leave.

Just so members will understand the subject of this hearing, let me quickly describe the bill before us. It transfers $49,750,000 in DOD funds to AID for humanitarian assistance to the Contras, as well as $4,166,000 for medical assistance and $5,000,000 to AID for operating expenses in administering the program.

The bill, which authorizes this assistance through February 28, 1990, also provides that the funds may be used for voluntary reintegration or regional settlement by the Contras. Further, I am informed that CBO scores the bill before the subcommittee as deficit neutral.

The bipartisan accord which the bill seeks to implement is a complex arrangement, with several important elements and understandings, which I am sure the Secretary is prepared to address.

### OPENING REMARKS OF SENATOR D'AMATO

Senator D'AMATO. Mr. Chairman, I am not going to be able to stay throughout the day since we have a banking markup on the FSLIC bill, but I would be remiss if I did not take this opportunity to express our deep appreciation for the work that Secretary Baker has put forth in bringing forth this historic agreement. This accord, S. 760, will, in my opinion, turn the focus where it should be as it relates to Central America: on those who are governing, those who are empowered to see to it that human rights, all of those things that we take for granted, are carried out.

I think it turns it around. It is a different dimension. I think that we will, for the first time, be able to achieve the support of the other Central American countries in attempting to bring tranquility and human and civil rights to that region, so that it can begin a foundation of economic recovery.

I thank you, Mr. Chairman and once again I want to commend Secretary Baker for his outstanding leadership and work in this area.

Senator LEAHY. Senator Kerrey, I appreciate your being here too. We will submit our opening statements for the record. Mr. Secretary, please proceed.

### OPENING STATEMENT OF SECRETARY BAKER

Secretary BAKER. Thank you, Mr. Chairman. I have a brief statement that I would like to make and then I would be delighted to respond to your questions.

In his inaugural address, Mr. Chairman, President Bush reached out to the leaders of Congress in both parties and he asked for a new commitment with respect to a bipartisan foreign policy. In recent weeks the leaders of Congress on both sides have responded in the same spirit and with the same commitment to bipartisanship.

As a result, today we have begun to put behind us, I hope, one of the most divisive foreign policy issues in postwar history and we

have embarked on a new, forward-looking diplomacy in Central America and in Latin America. This new policy is a tribute to leadership on both sides of the aisle, Mr. Chairman, and in both the Congress and the executive branch. It is a policy that I am quite confident is good for America.

When our country speaks with one voice on behalf of democratic values our foreign policy holds out great hope for others and our foreign policy can succeed. Conversely, when we are divided and we speak with many voices abroad our friends are confused and demoralized and our adversaries gain. Today, for the first time in many years, the United States speaks with one voice to the people of Central America.

BIPARTISAN ACCORD ON CENTRAL AMERICA

The legislation before you is one essential part of a broad, diplomatic effort outlines in the bipartisan accord agreed to by the President and the leadership of the Congress. Our purpose, as the accord clearly states, I think, is to translate the bright promises of the peace and democracy plan signed by the Central American Presidents in Esquipulas into concrete realities on the ground.

The promises made at Esquipulas are clear. The governments of the region, including—and especially, Mr. Chairman, including—the Government of Nicaragua, pledged three things: they pledged to democratize; they pledged not to use their territory for subversion against their neighbors; and they pledged to create secure and democratic conditions that will allow insurgent voices to reintegrate voluntarily and safely into civil life with full political rights.

PLEDGES BY NICARAGUA

Between now and February 1990, when elections are scheduled in Nicaragua, the whole world will know the answer to this question: Do the Sandinistas keep their word? The democratic community will be watching for that answer. More than that, the democratic community must join together, the democratic community in Latin America, in North America, in Europe, to ensure that this time the promise of democracy in Nicaragua for which 10,000 Nicaraguans gave their lives in 1979, will become a living reality.

There are other questions that will be answered during these 10 months. Will the Sandinista government heed the call of the democratic opposition inside Nicaragua to negotiate fair rules for the coming election?

Will the Sandinista government heed the call of the Central American democratic leaders and President Carlos Andres Perez to negotiate with the Nicaraguan resistance to create the conditions that will permit this peasant army and their families to return to their homes and farms with safety, with freedom, and with security?

Will the Government of Nicaragua heed the call of Esquipulas to stop providing arms, ammunition, and logistical support for the Marxist guerrillas in El Salvador, who are murdering mayors and terrorizing voters in that war-torn country?

Will the Government of Nicaragua honor its promise to the Organization of American States to pursue a truly nonaligned foreign policy by sending home its Soviet-bloc and Cuban personnel?

Finally, will the Sandinistas turn the resources now being used to build the largest standing army in Central America's history to purposes for which they are truly needed—food, homes, education, and health care for the suffering people of Nicaragua?

Democracy and peace, Mr. Chairman, can come to Central America, and with democracy and peace can come the fulfillment of dreams too long delayed of economic development, of opportunity, new trade and prosperity in which all the people of Central America can share.

But obviously, for this to happen the Sandinistas have to keep the promises of Esquipulas and for this to happen the Soviet Union will have to respond to tough questions posed by the people of Latin America.

SOVIET UNION AND THE ACCORD

Will the Soviet Union keep its promises to the people of Central America to support the peace process? Will the Soviet Union keep its commitment to support the Esquipulas agreement by halting aid to Cuba and Nicaragua that provides weapons, ammunition and training for the Marxist guerrillas in El Salvador? Will the Soviet Union bring its so-called new thinking to this hemisphere and stop using Nicaragua as a dumping ground for military equipment and military aid?

If the answers are yes, Mr. Chairman, then the peace process in Central America can succeed. Another regional conflict can be resolved on honorable terms that bring peace and self-determination and the new, hopeful relationship which has begun between the United States and the Soviet Union can take another step forward.

The legislation you are considering is an integral part of the bipartisan accord and it is totally consistent with the Esquipulas agreement which specifically provides for humanitarian assistance.

President Arias on his recent visit said this legislation and the policy outlined in the bipartisan accord is completely consistent with his peace and democracy plan. This assistance will make it possible for Sandinista promises to be tested. It will make it possible for the Nicaraguan resistance to test voluntarily those promises by choosing to reintegrate into Nicaragua as their political and security rights are guaranteed.

Our purpose is to make this diplomatic initiative succeed. With the support of the Congress, we pledge to work closely with democratic leaders of Central and South America and our democratic allies in Europe to give democracy and peace a chance in Central America.

Mr. Chairman, I salute the leaders of Congress on both sides for joining together in support of this new bipartisan policy. I think it is an important day for Central America and I think it is an important day for the United States.

Mr. Chairman, I urge your support of this very important legislation. Thank you.

USE OF HUMANITARIAN ASSISTANCE FUNDS

Senator LEAHY. Thank you very much, Mr. Secretary and I know that you have spent a great deal of time on this, as has the bipartisan leadership of both the House and the Senate. My understanding is that none of the funds in this bill can be used to support Contra military operations in Nicaragua or military training. Is that understanding correct?

Secretary BAKER. That is correct, Mr. Chairman. The purpose of the funds is not to support offensive military operations. The term offensive military operations is used because clearly, I think, it is envisioned that the resistance will be able to defend themselves against offensive operations conducted against them.

Senator LEAHY. That is the view throughout the administration? There is no question about that?

Secretary BAKER. That is the policy and that policy will be stated, Mr. Chairman, in a letter that I will write to the leadership—the bipartisan leadership of the Congress.

VOLUNTARY REINTEGRATION

Senator LEAHY. I understand that the funds can also be used to assist Contra members and their families to voluntarily reintegrate into Nicaraguan society or to relocate within the Central American region. Is that understanding correct?

Secretary BAKER. Provided that the reintegration and relocation is indeed voluntary, Mr. Chairman, and provided that it is done in the context of Esquipulas. That is, provided that democratization is moving forward in Nicaragua. But that is essentially correct.

Senator LEAHY. Do you know whether the Contra military leadership will allow the Contras to accept such assistance freely and leave the Contra camps if they so choose?

Secretary BAKER. Well, the Contra leadership—the leadership of the resistance, Mr. Chairman, supports this accord. They have, I think, uniformly endorsed it.

It is the intention of some of the political leadership of the resistance to reintegrate into Nicaragua to test some of the promises of the Sandinistas with respect to the conduct of elections and to participate if they can and, if they can reintegrate under safe and democratic conditions, participate in the proposed electoral process.

I am not aware of any efforts that are going to be made by the resistance leadership to discourage individual members of the resistance from accepting voluntary reintegration, but voluntary reintegration is going to depend in large part on whether they feel they can move back under safe and democratic conditions and the term that is used in Esquipulas is "safe and democratic conditions".

Senator LEAHY. I understand that AID will begin civilian job training programs, literacy classes and other activities in the Contra camps to help the individual Contras prepare to return to civilian pursuits. Is that correct?

Secretary BAKER. Well, there will be training in political actions, training in literacy, vocational training and things like that, Mr. Chairman, as I understand it, the funds can and will be used for that.

NICARAGUAN PROMISES

Senator LEAHY. What precisely does the administration expect from Nicaragua during the life of this funding? What measures, or steps, do you expect the Sandinistas to take for the administration to apply some of the incentives mentioned in the accord and what kind of incentives do you have in mind?

Secretary BAKER. Well, what we really expect them to do is to keep the promises that they have reiterated on a number of occasions. The promises, basically, of Esquipulas.

Those promises and the undertakings of Esquipulas are the establishment of democratic representative and pluralistic systems that will guarantee the organization of political parties that effect the participation by the people in the decisionmaking process and ensure that the various currents of opinion have free access to fair and regular elections based on the full observance of citizens' rights.

Freedom of television, radio, the press, complete pluralism of political parties, free and democratic elections. Clearly, freedom of religion. Some things that, as Senator D'Amato pointed out, I think we tend sometimes to take for granted, but that do not exist in Nicaragua. That is a summary, Mr. Chairman, of the goals of Esquipulas. But what the administration is seeking from the Sandinista government is to keep the promises they have made before about conforming with the Esquipulas agreement.

U.S. INCENTIVES

Senator LEAHY. You mentioned incentives from the United States if they do conform. Would these incentives include either easing or ending the trade embargo?

Secretary BAKER. Yes, sir; it could. What we talked about, what we discussed with the bipartisan leadership was the potential application of both incentives and disincentives, depending upon the conduct of the Sandinistas toward the fulfillment of their promises. Clearly, easing off on our economic sanctions would be one incentive if they were to move forward in a positive manner.

Senator LEAHY. How about the curtailing or cessation of United States military maneuvers in Honduras?

Secretary BAKER. That is something that could be likewise considered, Mr. Chairman—again, if things move forward in a positive way down there.

Senator LEAHY. How about United States or multilateral assistance in Nicaragua itself?

Secretary BAKER. Well, that is something I think you would want to look at—that is something I really believe we would want to test in the context of the conduct of the election itself—the election that is scheduled for February 1990. That, after all, is almost the ultimate carrot and I do not think we would want to lead you to believe that that is something we might be implementing before we really see whether or not they keep their promise of holding a free, fair, open and democratic election.

Senator LEAHY. Mr. Secretary, I feel that you really are on a new policy track in Central America and so I would ask, as my last question, how would you use the Contra assistance program to support the Esquipulas accord—and the El Salvador accord efforts—to find a political settlement in Central America?

Secretary BAKER. How would we use it to assist toward a political settlement?

Senator LEAHY. Yes.

Secretary BAKER. Well, one thing that this assistance will do, of course Mr. Chairman is keep the resistance alive and intact. The agreement of Esquipulas calls for direct talks between government and opposition to achieve national reconciliation.

We would like to encourage the Sandinistas to begin a dialog with the resistance about how the election is going to be conducted, what are the ground rules going to be, what opportunities will the opposition have to fairly contest an election to be held in February 1990.

Our support for the resistance will mean that there will be an opposition there with whom the Sandinistas can speak if they are inclined to keep their promises.

Senator LEAHY. Mr. Secretary, I think we are at a historic moment here, I really do. I think both those who have supported the Contras for years and those like myself who have opposed the Contras for years, realize one thing: The Contra war is at an end. This really does bring about the end of the Contra war.

Now I think we can address some of the realities. By itself, Nicaragua does not pose a threat to the security of the United States, but I think there are threats not only to Central America but to the whole region throughout Central America. The threats of illiteracy and poverty, hunger—all these things make up the real problems of Central America. I hope that this accord will allow the United States and the Central American countries to start addressing those real problems together.

If we can, I think you Mr. Secretary and those who have worked to put this accord together will leave a very significant legacy to the region.

Secretary BAKER. May I simply say that the four Central American democracies strongly support this, Mr. Chairman, as I think you know. They support the approach. It means we now not only have a unified approach up here in North America but one where North America and Central America, the democracies of North America and Central America, are basically unified.

I agree with your characterization of some of the problems down there. I do believe that Nicaragua can be deemed to represent a threat and a rather serious threat to the peaceful existence of some of its neighbors and I alluded in my remarks to the fact that you have here the largest army in the history of Central America.

We also have a situation where the Soviet Union continues to funnel roughly $515 million a year in military assistance into Nicaragua, notwithstanding the fact of course that we have not supplied any military assistance to the resistance since February 1988.

Senator LEAHY. Well, Mr. Secretary let us hope for the best. You speak of the attitude of the democracies in Central America and wanting to see a unified front here. I talked with President Arias over the phone for half an hour recently. He echoed those sentiments greatly.

I have gone over my time and I yield to Senator D'Amato.

### REACTIONS TO THE BIPARTISAN ACCORD

Senator D'AMATO. Thank you, Mr. Chairman. Mr. Secretary, I am pleased, because, to be quite candid with you, I am tired of having the United States and our efforts mischaracterized as being less than seeking peace and human rights and the ability of people to determine for themselves. I think that is what we are about. But no matter how hard we attempted to bring that message across to a good number of our own citizens, and certainly to the world community, we failed.

I think we have an historic opportunity that you and the president have put together to really put the spotlight of world opinion on the Sandinistas. All right, no more arms. Humanitarian aid. Let us see what the Sandinistas are going to do. Let us see what the Sandinistas are about.

What about the standing army that is so large? Let me get to this. What has the reaction, Mr. Secretary, of the Sandinistas been to this accord?

Secretary BAKER. Well, the Sandinista reaction has been very negative, Senator D'Amato, because I think they fear the very thing that you have just pointed out and that is that the opinion of free governments around the world will now be unified and the pressure will be, I think, on them to finally keep some of the promises that they have continually made over and over again but not kept.

So I think that is why they have been negative with respect to this proposal and why other governments, free governments around the world, have been positive. I mentioned the Central American democracies. I mentioned Venezuela. I think we should include Canada in that as far as our conversations are concerned. Some conversations I have had with counterparts from Europe, some of the democracies of Europe are quite pleased with this as well.

### SOVIET INTENTIONS

Senator D'AMATO. Let me then ask, have you had an opportunity to fully explore this with the Soviets and seek out what their intentions will be as relates to this accord?

Secretary BAKER. The Soviets said some time ago that they supported the goals of Esquipulas. Now we will have an opportunity to test that as well, as I indicated in my statement. We will see whether the Soviets really support the goals of Esquipulas. We will see whether there is any meat on the bones of the so-called new thinking as far as Soviet intentions and objectives and goals in Central America are concerned.

I raised this issue of the military assistance that they continue to funnel into Nicaragua directly with Minister Shevardnadze in

Vienna several weeks ago and the response I got was the public response the Soviets generally have been putting out on this issue. Which is, if you stop supplying other governments in the region, free democratic governments which we do assist, against the threat that is represented by that very large army in Nicaragua then we will consider cutting back our assistance to Nicaragua.

We made clear to him that that was an absolute nonstarter as far as we were concerned. It is a totally different situation. The same point of view was reiterated recently in General Secretary Gorbachev's trip to Cuba. So I think it remains to be seen whether there will be any action or deeds behind the rhetoric that the Soviet Union puts out about so-called new thinking.

Senator D'AMATO. Mr. Secretary, I think it is incumbent and important that the Congress of the United States begin to echo this challenge in our dealings with the Soviets and with others. When we meet Soviet diplomats, when we put forth our statements, we, too, now look forward to seeing whether or not they are going to match their rhetoric with deeds.

This is an opportunity for them to demonstrate the sincerity of their claims for the deescalation. There must be an easing of tensions, if we are going to begin talking about a significant change as it relates to trade and credits and the kinds of things that the Soviets have been seeking.

I think it is important for the Congress of the United States and the administration to talk with one voice, so that they do not get mixed signals and think that they can talk a good game, and yet, when it comes to our hemisphere, not carry it out.

Secretary BAKER. That is absolutely correct, Senator, and let me simply say what I think you are saying, and that is that this bipartisan approach and bipartisan accord and the fact that the United States is now speaking with one voices gives us a much stronger position to advance with respect to what the Soviets are doing there.

I am not going to suggest to you that it means we will necessarily succeed, but at least we have a much stronger hand to play.

Senator D'AMATO. On that note, I want to commend the chairman for calling this hearing as expeditiously as he has and also for being part of that leadership group that has helped move us to this, I think, rather historic point.

Thank you, Mr. Chairman. Thank you, Mr. Secretary.

Senator LEAHY. Thank you very much, Senator D'Amato.

Senator Mikulski.

Senator MIKULSKI. Thank you, Mr. Chairman.

Mr. Secretary, first I would like to congratulate you and the President in the way you have worked with the Congress in trying to achieve essentially a bipartisan accord for too often the conflict has focused here in the Congress rather than in brokering the conflict in the Congress rather than the one in Central America. So, I think this has taken us a long way in brokering the conflict in Congress so we can then focus on ending the conflict in Central America.

MONITORING HUMAN RIGHTS

As we take a look at the accord that we have reached, my questions will focus on human rights. And one of the reasons I will do that is that there are many constituency concerns around what this humanitarian aid means. Their concern for those who have been part of the, you might say, the liberal or the left concern about Central America is that any aid to the Contras really only results in brutality, that we talk about shoes and boots and it ends up doing the wrong thing. So, that is the thrust of my questions.

I think we can go a long way in assuring people. But I would like to ask about this whole issue of monitoring human right. Now, when we do the payments to the Contras, they are now being audited by GAO and Price Waterhouse. Price Waterhouse is great for the Academy Awards, but who is going to audit the Contra human rights. In other words, we have an audit for the money to make sure that is fine. We have even reached down to the private sector to do that. But then tell me what will be the systematic way to audit to be sure that there are—is a containment or elimination of human rights violations.

Secretary BAKER. Well, we have put in place following some legislation in 1986, Senator Mikulski, some human rights enforcement machinery. We have just had a situation where some offenders of human rights have been booted out of the resistance, which is really the only kind of penalty that the resistance itself can levy because they do not have any jurisdictional authority where the investigation into human rights violations occurs in Honduras.

But we have this machinery in place. We take a very strong stand on human rights. Anytime we hear of human rights violations, we insist that the offenders be brought to justice to the extent that they can be; that is, be booted out of the resistance, and we will continue our policy under this bipartisan accord. We will continue our policy of cutting off funds for any member of the resistance judged to be a violator of human rights under that process.

REVIEW OF HUMAN RIGHTS ABUSE ALLEGATIONS

Senator MIKULSKI. Can you tell me, Mr. Secretary, what is that machinery and are there any independent groups that are now on the spot or that you would intend to invite.

Secretary BAKER. Senator Mikulski, I will ask Deputy Assistant Secretary for Inter-American Affairs, Mr. Kozak, to respond to your question.

Mr. KOZAK. Senator, after the legislation the Secretary mentioned was passed, we established a procedure within the Department to have the Bureau of Humanitarian Affairs, the Legal Adviser's Office, and in our Bureau review any allegations.

At the same time we funded the ANPDH. It is an independent Nicaraguan human rights organization. It is a Nicaraguan association for the protection of human rights headed by a lady who is very respected. She had a human rights organization in the days of Somoza. She was also there monitoring Sandinista activities, and when they threw her out, she has been monitoring the activities of the resistance.

In addition, we also created a military prosecutor's office or helped the resistance to do that, and that resulted in the process the Secretary mentioned. If the human rights organization finds any credible evidence of human rights violations, the individuals charged are put on suspension, and then they go through effectively a trial process or court martial process in which the evidence is brought out. And if they are guilty, they are thrown out——

Senator MIKULSKI. In addition to our own machinery, there is an independent group known for its advocacy of human rights.

Mr. KOZAK. That is correct.

Senator MIKULSKI. Headed by a personality who has been long associated with advocacy on this issue. Essentially is this some type of field organization around the Contra activity? Because this is where constituencies then talk about the torture of prisoners, occasional attacks on civilians including women and children, and they can be pretty horrifying. We are not only talking about civil liberties being curtails. We are talking about violence, either torture or debasement.

Mr. KOZAK. Exactly, the lady's name for the record is Marta Patricia Baltadano, who has this very respected record, and she does have investigators in the field around the camps. Whenever there is a charge, they discuss with the members of the patrols that come back. They seek witnesses, not only from the resistance, but from people in the communities where these activities have allegedly occurred. So, there is a pretty good——

Senator MIKULSKI. And then these reports come to where? Where do they go? I presume she does the reporting system?

Mr. KOZAK. She puts out her reports publicly, ultimately, but they go to the military prosecutor's office in the resistance. We also get them. And it is we, in the end, who makes these judgments—in the end we have to stand responsible for them. These are our sources of information, but the Department has to decide whether the case is credible or not in terms of our own funding policy.

Senator MIKULSKI. Is that how the four Contras who were recently found guilty of human rights violations come to the attention?

Mr. KOZAK. Yes.

Secretary BAKER. I thought it was six. It is six, I believe.

Senator MIKULSKI. Thank you. I think that is a very interesting—when you talked about machinery, that was so abstract. I mean, you have got a lot of—you have a lot of cooking, if you will, at the State Department.

Secretary BAKER. There is a lot cooking when you consider that this is probably the only resistance group operating in the world today that does have human rights machinery in place for the enforcement of human rights. Most resistance groups do not have this.

This may not be perfect, Senator, but it is better than what used to be the case.

Senator MIKULSKI. You see, Mr. Secretary, what we are talking about is confidence building not only within Central America, but our support ultimately depends upon the support of the people, our own people for this policy, and that is where this question comes from. I think, Mr. Chairman, that completes my round of questions.

Senator LEAHY. Thank you. We will go to Senator Kasten and Senator Kerrey.

### SOVIET AID TO NICARAGUA

Senator NICKLES. Senator Kasten, thank you very much.

Mr. Secretary, welcome. I noted with interest your statement that the Soviet Union is still supplying the Sandinistas with an estimated $500 to $600 million of military assistance each year, is that correct?

Secretary BAKER. That is our estimate, yes, sir, Senator.

Senator NICKLES. Has the Esquipulas accords changed that in any way?

Secretary BAKER. Well, the Soviet Union agreed to respect Esquipulas. Esquipulas requires, calls for discussions between resistance and—I mean governments and the opposition. It does not speak specifically to the fact that the Soviets are funneling military assistance to the Nicaraguan Government that I am aware of, but just a moment.

[Pause.]

Secretary BAKER. Esquipulas calls for the cutoff of all outside aid to insurgencies, Senator Nickles. It does not have a corresponding provision with respect to aid to governments.

Senator NICKLES. So, am I correct in saying Esquipulas does not prohibit the Soviet Union from continuing to put in $500 million per year into the military buildup for the Sandinistas?

Secretary BAKER. Well, there is no direct prohibition under Esquipulas, no. But there is—the Soviet Union undertook to—they committed to support Esquipulas. There are other provisions of Esquipulas, as I indicated earlier, that they are not supporting.

Senator NICKLES. Mr. Secretary, my point is I know a lot of people are dancing in the streets over Esquipulas, but I have been reading this during your statement and before and maybe this resolution is the best that we can get through in a bipartisan Congress, but there is nothing in Esquipulas as this Senator is reading it that prohibits the Soviet Union from continuing to put in hundreds of millions of dollars under military assistance to the Sandinistas.

Secretary BAKER. Nothing, that is right.

Senator NICKLES. The prohibition is against irregular forces, and I doubt if the Sandinistas would define themselves as irregular forces.

Secretary BAKER. That is correct.

Senator NICKLES. It may well be that given the complexity of—did you want to correct that? I wish it were incorrect.

Secretary BAKER. Well, the point that is being made here, and I think it is a good one, and I have made it—I think I made it earlier—aid that the Soviet Union gives to Nicaragua and to Cuba ultimately finds its way to the FMLN in El Salvador. That is an opposition group that would be banned by Esquipulas, and that is something we would very much like to see stopped.

Senator NICKLES. I would concur with that. But there is nothing to keep the Soviet Union from continuing to put in hundreds of millions of dollars in military assistance into Nicaragua.

Secretary BAKER. Not in Esquipulas itself, no, sir.

Senator NICKLES. And certainly I wish we could, but we cannot pass a resolution in Congress that would stop them from doing that either. We can—I am looking at Esquipulas. There is also an agreement which you have heralded and certainly if it happens I would hope it would happen, and that calls for free elections in Nicaragua in February of next year.

The Sandinistas have signed on to this, Nicaragua has signed on and agreed to the Esquipulas accords.

Secretary BAKER. Yes.

NICARAGUAN ELECTION

Senator NICKLES. They have agreed to the elections of February 1990?

Secretary BAKER. They have agreed to them.

Senator NICKLES. They have in the past agreed to elections and broken those promises.

Secretary BAKER. As I said earlier, you bet they have.

Senator NICKLES. As a matter of fact, the Sandinistas have a track record of broken promises for the last 10 years, is that not correct?

Secretary BAKER. You are absolutely right, Senator.

Senator NICKLES. I hope that the elections do take place. I hope that there is a cessation of hostilities. I hope that there is return to democracy. I hope there is political freedom and religious freedom as called for in those accords, although I have serious questions whether the history of the Sandinistas would allow that to happen.

And I also think that it is very inequitable to continue to have hundreds of millions of dollars in Soviet military assistance going into Nicaragua and this Congress and Government doing very little about it.

I hope that maybe—I know in your discussions you mentioned this with your counterpart, Mr. Schevernadze—I hope that those discussions will bear fruit. I am afraid that with this resolution we are not giving you ample negotiating power. There is no level commitment.

We are looking at $49 or $50 million of nonmilitary assistance. The Soviet Union, if you looked at their military assistance at $500 million and in nonmilitary assistance close to another $500 million. Is that close for Nicaragua?

Secretary BAKER. Another $500 million in economic.

Senator NICKLES. So, the Soviet Union is putting in today about $1 billion.

Secretary BAKER. $1 billion.

Senator NICKLES. Into Nicaragua. And one final comment. We are doing maybe $50 million to support those. The chairman mentioned that the war was over in Nicaragua. Would you agree with this Senator that some of us are still really working and maybe fighting to regain some freedom in Nicaragua?

Secretary BAKER. Yes; I would agree, Senator. That is the objective of the administration as well. I think the record should reflect what the administration has said from the day this accord was announced down at the White House. There is nothing in here, of

course, that precludes the administration for asking for further military assistance for the resistance. There is no bar or prohibition to that. I quite agree with you. I am not sure that the votes exist to get it.

I think the record ought to also reflect, Senator Nickles, that I have the very same reservations you do about Sandinista performance. The record is abysmal. They have not kept any of their promises. But we do have an opportunity here now to, as Senator D'Amato pointed out, focus public opinion, world opinion, on their failure to keep their promises. So, from that standpoint, I think the agreement is very beneficial.

I also have the same reservations you do about Soviet intransigence where Central America is concerned, and they do continue to funnel $1 billion a year of assistance in there. But this agreement puts the United States back in the ball game in Central America.

We were not in it. We were totally out of it because we had a legislature going one direction, and we had an executive branch going another, and we could not function. And there was no ability, if I may say so, on the part of the executive branch to carry out one of its, I think, constitutional functions to implement the foreign policy of the United States.

Therefore, you had a meeting down in Tesoro in El Salvador along about the 14th or so of February where the Central American democracies and Nicaragua took steps to come up with a plan for complete demobilization of the resistance.

One thing this bipartisan accord does that I think is very important is it links any questions of reintegration, relocation, demobilization of the resistance to progress on democratization in Nicaragua, and it does keep the resistance intact and in existence for possible or potential use down the line.

People will argue about how much of an incentive that represents for the Sandinistas. But when you hear the screams that came from them when this accord was announced, you have got to believe that continuing the resistance in force is indeed quite some incentive as far as the Sandinistas are concerned, and hopefully we will see, now that world opinion is focused on this problem, better performance. But I am not sanguine.

I do think this is the best policy course under the circumstances. I think it gets us back in the game. It strengthens our hand, perhaps maybe not enough, but it is the best we can do under the circumstances, and I really think it ought to be supported.

Senator NICKLES. Thank you, Mr. Secretary. Thank you, Mr. Chairman.

Senator LEAHY. Thank you.

The Secretary has to leave soon so we will go to Senator Kerrey and then Senator Kasten, and in all likelihood that will be it on the questions. Senator Kerrey.

Mr. Secretary, do we have time for questions from both of these Senators?

Secretary BAKER. Sure.

Senator KERREY. Thank you, Mr. Chairman.

### BIPARTISAN ACCORD IS A GOOD AGREEMENT

Mr. Secretary, I was asked by the majority leader to participate in discussions on Central America for the Democratic majority in the Senate. I must declare right at the outset that my participation was as much from an observer's status bringing an occasional comment. This is mostly as a consequence of my not being on this subcommittee, and having a relatively small amount of information in regards to all of Central America.

What I like most of all in this agreement is that there is a clear statement of objectives which I think has been absent in the past. In the past there has been a shifting statement of objectives, or at least an unclear sense of where it was we were trying to go.

I also like that there is a lowering of political accusations. There has been far too much in the way, I think, of epithets and not enough of examination. I have myself been the recipient of a considerable number of epithets as a result of my strong opposition in the past 7 years to the policy in Central America.

I do not object to the assertion that we must fight at times for those things in which we believe. The fact I do not want to assert that the epithets themselves are somehow to be factored into our consideration. They are relatively small adverse consequences given the adverse consequences that face the people in Central America as they try to establish a democracy, for example. I expect in the debate there to be an absence of acrimony or accusations.

But I appreciate the lowering of the political accusation and I think to a large extent you are personally responsible for having accomplished that.

I also like the fact that we have a sense of honesty exchanging back and forth. I do not expect, as one Senator, to be involved with micromanaging the details of this. I would depend upon my leadership to negotiate directly, and I will for the most part follow where that leadership takes me. But in the absence of honesty once that trust is broken, you can never reestablish the trust that once existed. I do not need to tell you that. You have been in politics long enough to know how fragile that threat of trust is.

And I urge you to remember that and I urge as well that the Senate and House of Representatives to remember it. We sometimes forget that there needs to be a two-way street.

### NICARAGUA AS A THREAT TO THE UNITED STATES

I listened to Senator Nickles talking about the $500 million. I would like to hear your assessment of the magnitude of the threat of Nicaragua to the United States of America assuming worst case scenarios.

Secretary BAKER. Well, I think, Senator Kerrey, first of all, thank you for those comments, and let me say it is my view that while there have been divergent policy approaches in the past to this most divisive issue we have faced over the past—foreign policy issue that we have faced over the past 10 years, I think the goals of all of us have been the same. The goals are to achieve democracy in Nicaragua and to see a cessation of efforts on the part of Nicaragua to subvert its neighbors.

Now, we know that there have been those efforts, and we know that Nicaragua has supported to varying degrees from time to time the efforts of the FMLN in El Salvador. To the extent that they continue to pursue policies which call for the export of subversion of their neighbors, I think they could represent an ultimate threat to the national security just of the United States.

They clearly, as I indicated in an answer to the chairman earlier, they represent a major security threat to the free democratic governments that border them in the region.

You have Costa Rica, for instance, which is, I suppose, the oldest and perhaps in the past the freeist democracy in Central America that does not even have an army. The Sandinistas have the largest standing army in the history of Central America, and an army that is far beyond any defensive needs that they could ever reasonably be contemplated, be expected to have. So, I think they do represent a security threat. That is my honest view.

We could argue about how extensive the threat is to the United States, but if they continue to follow policies of subverting their neighbors, they could well represent a serious threat to the United States.

We have got—we have an insurgency now of varying degrees of severity in Guatemala. You have got an incipient one, at least, in Honduras. You have a major one as you have had for the past 10 years in El Salvador. That is not a good situation. And it is constantly being stirred and manipulated and funded and advanced by Cuba and by Nicaragua.

Senator KERREY. But would you say that the threat to Costa Rica exceeds the threat to Oklahoma, for example?

Secretary BAKER. Yes; I do, but I want to tell you, if you are from Oklahoma or Texas, like I am, you see what is happening with respect to the refugees from the region, and those refugees are coming not just because there has been a total breakdown of the economy. They are coming because there has been a lot of war, and the El Salvadorians have been coming up here for a long time. Now, you are having Nicaraguans coming in vast quantities, and that is a problem for elected representatives from those States along the southern border of the United States. It is going to become an even worse problem.

### THE BIPARTISAN ACCORD AS PART OF AN OVERALL POLICY

Senator KERREY. How do you help people like me who are trying to figure out some of the complexities of this situation, Mr. Secretary. It seems to me that if I were living in Central America and of a mind to become an insurgent for any reason or another, that I obviously need to recruit people and supply those people with arms and ammunition and supplies of one kind or another and that in order to do that, I obviously have to buy those things.

It seems to me that in order to receive a rather reliable supply of money, one would convert a couple hundred pounds of cocaine a year into dollars and keep going in that regard. And it seems to me as I observe some of the information that I received—and admittedly it is anecdotal, but I hear people asserting that today in Central

America and Latin America there are four leading exports: terrorism, topsoil, drugs, and people.

When I hear that kind of information and look at the refugee situation and listen to Customs while asking for additional money, saying they do not have a very good working relationship with the Department of State: how do you factor those sorts of other objectives in to help people like me to try to determine what we need to do to support you?

Secretary BAKER. Well, I really think another thing this accord might do, Senator Kerrey, is give us the opportunity to approach the overall situation in the context of an overall approach. I mean, it will give us better opportunity to concentrate if we can see peace in the region and if we can see the establishment of a democratic government in Nicaragua. Then I think we can turn our attention, as I indicated to the chairman's question, to questions of reconstruction, questions affecting the economy.

But it does not do any good to do that when you have authoritarian regimes that you talk about human rights. They do not even have basic human rights in Nicaragua. And we need to see those established. And we need to see progress toward democratization.

Are there drug problems? You bet there are plenty of drug problems. There are drug problems that involve governments down there, not just resistance forces.

### CONCERN WITH THE PROCESS USED TO PASS THE BIPARTISAN ACCORD

Senator KERREY. Mr. Secretary, one other question. Then I know Senator Specter has some.

Senator SPECTER. I wonder if the Senator will yield to me for just 30 seconds. There is a vote on, and I know you are going to be leaving soon.

I do not have a question, Mr. Secretary, I just have a brief comment. First, a compliment to you on your hard work and I think effectiveness. And while I do not necessarily question the substantive result, I do just want to raise a question about the procedures which frankly trouble me because it is being presented to this committee, subcommittee, as pretty much a fait accompli, an accomplished fact. Really, I am looking more for a ratification avoiding the customary process of an introduction of a bill, the hearings. We look at this with the leadership having made an agreement, and also to register my concerns about the letters with the four committees because the reprogramming is different.

I do not want to get involved in a legislative veto issue, but I just wanted to raise a cautionary note at this time in this hearing, and I have had an opportunity to raise it with you informally before about the process. And I just wanted to make that comment.

And I thank you very much for yielding.

Secretary BAKER. May I respond?

Senator, just by saying I understand the process is different, it is not unlike what we did in 1983 on Social Security. It is not unlike what we have done in the past at least on one occasion with respect to the War Powers Resolution. It is not unlike what we did in 1987 in connection with the budget summit.

Sometimes we have problems that are so divisive and so difficult, and this has been one for 10 years, as you know. I characterize it as the most divisive foreign policy problem the Nation has faced for 10 years.

Sometimes I think that calls for extraordinary processes, and I understand that it is a little different in the sense that here you have the President of the United States and the leadership of the legislative branch of government getting together and saying this is in the national good. I think it is and I think sometimes problems are so tough that they demand extraordinary solutions.

One quick remark, Senator Specter, if I might, because I just think the record needs to be complete on the issue you raised with respect to the letters.

We could have agreed to take a 6-month renewal of humanitarian aid. This bill basically, as you know, is really nothing more than renewing the aid that we have been supplying in the past, the same kind of aid at current levels for a period of time.

Now, we could have done 6 months; we might not have gotten 6 months, but I think we probably could have done 6 months. Now, we have 7 months. It is uninterrupted. There is no question about it. There is no flexibility in terms of the Congress' right to review and be consulted and say well, wait a minute, now, we do not want you to continue.

So, I guess what my answer is, we have legislation that will be hopefully authorized, I mean, humanitarian assistance that will be authorized and appropriated, and we agree as a matter of voluntary agreement that we will consult with you 7 months down the line. And if you do not like the way we are running the program, we will not obligate the funds for the remaining 3 months. We will come back up here and go through this exercise again.

Senator SPECTER. Mr. Secretary, you are very persuasive, but candidly I am unpersuaded yet when you start changing basic procedures and approaches.

I have got to run because the vote has almost expired, but I thank you very much.

Secretary BAKER. Thank you, Senator.

Senator KERREY. Mr. Secretary, we are going to recess momentarily just to permit Senator Specter and I to go over and vote, and we will be back.

[Brief recess taken.]

Senator LEAHY. Mr. Secretary, I apologize for the interruption and appreciate the fact that you are experienced in Washington and you know those pesky little things like rollcall votes interfere and when I came here 15 years ago I would charge down those corridors a lot easier than I can now. But Senator Kasten is much younger. He can do it much easier, so I would now yield to him to wrap up.

Senator KASTEN. Thank you, Mr. Chairman. Thank you, Mr. Secretary.

### SIDE LETTER TO THE AGREEMENT

There has been a great deal of controversy surrounding the so-called side letter which is part of this agreement. This letter states

that assistance will end on November 30 unless the leadership of the Congress, the authorizing committees of both Houses and the Appropriations Committees of both Houses have given the OK bu letters for such aid to continue beyond that date until February 28, 1990.

Can you tell the committee precisely how many letters this involves and from whom you expect to receive them?

Secretary BAKER. The way I will interpret that, Senator Kasten, is that I would need before I would feel comfortable obligating funds after November 30 to receive letters from eight people, the chairmen of the authorizing committees in both Houses, the chairmen of the Appropriations Committees in both Houses—that is four—and the bipartisan leadership of the Congress, the so-called big four, the Speaker, the minority leader of the House of Representatives, the majority leader of the Senate, and the minority leader of the Senate.

NORMAL REPROGRAMMING PROCEDURE

Senator KASTEN. Could you explain the difference between this action and normal State Department reprogramming action?

Secretary BAKER. Well, it is different, but I am going to let somebody who is familiar with the budget process explain the difference to you, Senator.

Mr. MATHESON. Senator, in the normal reprogramming process, notification is made by the administration in a certain period of time in advance of a proposed reprogramming to the committees which have just been mentioned. They, of course, have an opportunity to provide their views, and then under the law the administration decides what to do, taking into account those views. It is only a notification process.

Senator KASTEN. Is a letter required in reprogramming?

Mr. MATHESON. The notification is required, and that is customarily done by letter.

Senator KASTEN. A letter from Congress is required in reprogramming?

Mr. MATHESON. No, sir; only the notification to Congress.

VOLUNTARY REINTEGRATION

Senator KASTEN. Mr. Secretary, will the voluntary reintegration and relocation provided for in the legislation be completely voluntary with no pressure from the administration.

Secretary BAKER. Absolutely, and we insisted Senator Kasten, through many, many hours of negotiation that any references to repatriation, reintegration, relocation contain the word "voluntary," and I think it is clear to everyone who had any part in the negotiation of this accord that we are talking about truly voluntary repatriation or relocation.

No one is going to be forced to do anything against their will.

Senator KASTEN. Is there any understanding with respect to the letter's requirement that before these letters would be written and sent to the administration that the administration must push for relocation or reintegration or that there would be a test in terms of

relocation or reintegration before the letters would go forward from any of the committees involved?

Secretary BAKER. No; and I think if that were required, it would not be in keeping with the letter or the spirit of what we negotiated, Senator Kasten.

Senator Kerrey talked about trust here, and I think this bipartisan accord goes a long way toward rebuilding trust that we have not had for some time. And if those kinds of things are going to be interposed that were specifically discussed in the negotiation of the accord, I think that would not be appropriate.

At the same time, we do not proceed—we in the administration do not proceed naively here. If the Congress concluded that they did not want us to obligate after the 30th of November that they could find plenty of reasons why we should not obligate that money. So I want you to know we understand that.

As I told Senator Specter, we could have probably gotten a 6- or a 5-month deal. I think it is better to get a 10-month deal that we have to consult about and have reviewed at the expiration of 7 months because I think it gives us more flexibility and strengthens our hand.

### INCENTIVES AND DISINCENTIVES FOR NICARAGUA

Senator KASTEN. My final question, Mr. Secretary, is with respect to our policy in Nicaragua. There has been a lot of discussion, and I understand there was some here this morning, about incentives and disincentives which would depend on how the Sandinistas choose to behave.

My understanding of the discussion this morning is that it has concentrated on the incentives. You try to encourage them.

Could you describe some of these incentives, and more importantly, some of the disincentives and what kind of a timetable you have in mind to implement them.

Secretary BAKER. Well, I think that, of course, there is no firm agreement on this, Senator Kasten.

We discussed with the leadership some ideas we had about incentives and disincentives and timeframes, but it was concluded early on in this negotiation that it would be difficult if not impossible to get agreement on every single item; that is, the timetable and the incentives and disincentives, and it would be much better to give the executive the flexibility that—the flexibility to implement this policy as the executive at least thinks the Constitution gives us.

So, that is where we came down and we did not attempt to line it all out. But can mention some to you if you want disincentives, because we have already talked about incentives. Is that right?

We could do some things by way of diplomatic measures. We could reduce further the size of our mission in Managua. We could do some things that I will have to talk to you about in executive session. We could do a better job of publicizing some of the corruption that we think is existent down there. We could continue to perhaps increase the—our efforts to get some of our European allies and others to condition their assistance to Nicaragua on steps toward democratization. We could tighten our trade embargo. We

could do some things along those lines that I think would be seen to be a real disincentive.

I also said in answer to a question I think from Senator Nickles that there is nothing in this agreement—and I know I said this the day we announced the accord—there is nothing in here that keeps that administration from coming back up and asking you for military assistance for the resistance. There is no bar to that at all.

So, there are a lot of things that I think we could point to as disincentives.

SIDE LETTERS

Senator KASTEN. I just want to clarify the answer to your first question. You said there would be eight people who would sign the letters. The only two Republicans among them would be the leaders—the Republican leader of the House and the Republican leader of the Senate, is that correct?

Secretary BAKER. That is correct.

Senator KASTEN. Ranking members would not be included in any of this letter passing effort, is that your understanding?

Secretary BAKER. Look, I do not have any strong feelings on that, Senator Kasten. If you want to include ranking members, if you want to take it down two or three levels, it is all right with me because our view is that there will be plenty of ways to find reasons to get us not to obligate after November 30 if that is what the Congress wants to do.

But the Democrats control both Houses. They chair the committees and if we are going to talk about letters from the committees with the lowest number of signatures you can get, this is the best approach.

Senator KASTEN. I have no quarrel with that. It is just that I wanted to clarify your answer. I do not have any quarrel with your answer. I simply wanted to clarify it.

Secretary BAKER. Well, let me just say one more time because I do think it is important. I am going to interpret the letter that I write to require eight letters. I would not feel comfortable obligating the money after November 30 having given my word unless I get the affirmative approval from those four committee chairmen and the four leadership—the bipartisan leadership of the Congress.

FULL COMMITTEE CONSIDERATION

Senator KASTEN. Mr. Secretary, thank you, and I am sorry that we have in the process of the vote delayed your testimony here today and changed your schedule.

Mr. Chairman, thank you.

Secretary BAKER. Thank you, Senator Kasten, and thank you, Mr. Chairman, for moving expeditiously. I know it comes on you in a hurry and it is very important, and I appreciate any assistance you can give us.

Senator LEAHY. Well, Mr. Secretary, in that regard we will bring the matter before the full committee later this afternoon, I believe around 4 o'clock. And frankly, Mr. Secretary, I am convinced the package will have a majority of votes in the full committee.

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This represents a leap of faith in you and the President. I would hope that the U.S. Government will take advantage of that leap of faith. And I also hope that Nicaragua and the other Central American countries will recognize the accord that has happened here.

It really is an historic event as far as the policy in Central America. I hope that they recognize that and will use it to the fullest to try to repair some of the damages there.

And I also hope that the Soviet Union recognizes the impact of a bipartisan accord on a matter that has caused complete divisiveness, not just between the two parties, but actually between elements within both the parties for a number of years. And the Soviet Union should realize that if they want to be involved in helping to ameliorate the situation in Central America, now is the time to do it.

Secretary BAKER. Thank you, Mr. Chairman.

Senator LEAHY. Thank you. We will recess for 1 minute.

I wonder if Mr. Kozak could stay and answer a couple of questions.

[Brief recess taken.]

TECHNIAL QUESTIONS FOR SECRETARY KOZAK

Senator LEAHY. If we could reconvene briefly, we have Michael Kozak, who is Acting Assistant Secretary for Inter-American Affairs, and I believe you have Mr. Morse and Mr. Matheson with you.

I have a couple of questions that are more the technical and perhaps housekeeping type that we did not have time to go over with the Secretary.

CASH PAYMENTS TO CONTRAS

Under the previous Contra assistance program, cash payments were made to Contra fighters who were going into Nicaragua so they could buy food. Now, will that practice be continued under this new program?

Mr. KOZAK. Yes, Mr. Chairman. The practice that you refer to is based on the fact that when the resistance and the Sandinistas entered into an agreement, the Sapoa agreement, a while back, there was supposed to be provision for resupply within Nicaragua of the forces that were still in there.

The Sandinistas have never allowed any mechanism to be set up to deliver in-kind assistance. So the response to that was to provide Nicaraguan currency to the people that are still inside so that they can purchase their food locally. That practice has continued and under the concept of extending the current form of assistance would continue in our judgment.

OFFENSIVE MILITARY OPERATIONS BY CONTRAS

Senator LEAHY. Does this conflict with your assurance that none of these funds will be used to support Contra offensive military operations?

Mr. KOZAK. No; we do not see it in conflict, Mr. Chairman. The resistance has periodically extended the cease-fire that was initially agreed to for 90 days as part of Sapoa.

Recently they have extended the cease-fire unilaterally through February of next year. So, for the period we are talking about here, the clear policy of the resistance is to be in a cease-fire mode.

I should say, though, that with respect to the troops that are still inside, the Sandinistas do engage in offensive operations against them. It is very difficult to determine who drew first when two units come into contact with each other inside Nicaragua. So, we are not representing that we can take on the responsibility for guaranteeing that we will always know who drew first, but we can assure that the policy of the resistance is not to engage in offensive operations.

I think also the fact that they are so short on ammunition is a bottom-line guarantee that they are not in any position to engage in any kind of major offensive operation. Obviously if we do get credible evidence that somebody has breached the policy toward offensive operations, we will take action to defund them.

### CONTRA ATTACKS AGAINST CIVILIANS

Senator LEAHY. That addresses my next question. I have seen some reports in the media of Contra attacks against Nicaraguans, including civilians, during the past 8 months. That was after the last humanitarian aid package was implemented.

They were receiving lethal assistance from the United States during that period, but the attacks occurred just the same.

Are you going to be able to, first, advise the Contras that they are not to engage in military actions inside Nicaragua during this program? And second, will you be able to monitor that?

Mr. KOZAK. The answer to the first part of that question is yes. And that, as I say, is a policy that they have already adopted.

As far as the monitoring of it, as I say, it is very, very difficult to determine what goes on. A lot of the reports we believe not to be credible. Obviously the Sandinistas have an interest in making accusations. But we cannot tell you that no individual in the resistance has ever not been the one to draw first.

I think there is a distinction to be made, too. There are different groups of the resistance. The so-called southern front, which is not receiving food and so on under this program even now, does occasionally declare that they are engaging in offensive operations. In other words, they have a different policy from the main group in the north. They receive very limited support: medical assistance, family support, and a cash-for-food program that has only just begun.

So, some other stories may be generated by that as well—where there are some groups that are not within our program that do claim offensive activities.

### CONTRAS KILLED BY CONTRAS

Senator LEAHY. Also, we have had reports of Contras who returned to Nicaragua under the amnesty being tracked down, either harassed or killed by other Contras. Do you have any reports of

that occurring or do you have any reports of Contras who have gone back there under amnesty and either being harassed or killed by Sandinistas?

Mr. KOZAK. Mr. Chairman, we do have reports of people who have gone back being harassed by the Sandinistas and perhaps we can get you for the record the specifics on that so that we can give you the concrete reports on it.

[The information follows:]

We have heard several reports that Contras who returned to Nicaragua and accepted amnesty have suffered for it. The most famous is the case of "Comandante Moises" who was killed by the Sandinistas after accepting amnesty. We are checking with the Nicaraguan Association for Human Rights on the accuracy of the reports and will provide additional information later.

Senator LEAHY. What about Contra action against former Contras?

Mr. KOZAK. No; we do not have any evidence of that.

### WAITING FOR ELECTION LAW REFORM BY NICARAGUA

Senator KASTEN. Mr. Secretary, it is my understanding that on April 25 the Sandinistas are scheduled to reform their election laws. Is that your understanding as well?

Mr. KOZAK. That is correct, Senator Kasten.

Senator KASTEN. Some people suggested that we would be better off postponing this legislation until after the 25th of April so that we can determine whether the Sandinistas are serious about changing this process. What is the requirement to enact this legislation now and why can we not wait until the 25th, or after the 25th of April?

Mr. KOZAK. There are two aspects to that, Senator. The first is a very practical aspect. The pipeline of the existing program. The authority ended March 31, and we are going to run out of food. Our friends in AID have told us that if this legislation is not passed by the 14th, the last food deliveries will occur on the 20th of April and that the food will be eaten and gone by May 5. That will be the end of it.

There is also quite a lead time in arranging for new food deliveries. They have to go around the region and purchase it and so on. So that is the practical aspect. If we want to keep feeding people, we have to have some money quickly.

The other aspect, though is the diplomatic side of it. I would argue, based on the conversations that we have had with our friends in Central America, that the very fact of the bipartisan accord has put significant pressure on Nicaragua to perform with respect to the April 25 deadline.

Now they are at this point making noises that are not ones that we like to hear, or that the other Central Americans like to hear. The president of the National Assembly yesterday said that the opposition's demands for specific changes in the law were politically stupid, that they had not been developed in time for them to receive consideration from their assembly, and that they were just going to pass the provisions that they felt like passing.

That is not a fait accompli yet, and the Central Americans, certainly with our support, with support from others, have been very

strong in the position that the reforms are going to be valid only if the Sandinistas sit down with the opposition and work out reforms that meet the legitimate demands of the opposition.

That is not to say that everybody is going to give the opposition a blank check to make whatever demands it wants. But the reforms that they have proposed are, I think in the conception of everyone who has looked at them—the electoral experts from the other Central American countries, of Venezuela and so on—reasonable, legitimate demands. It is obligatory on the Sandinistas to sit down and work that out with their own people and not to be imposing things by fiat.

I think having this legislation in place will show that we are together, and it will increase the pressure on them to do that, rather than the other way around.

FAIR ELECTIONS IN NICARAGUA

Senator KASTEN. A related question: In 1984, the Sandinistas held elections. There was not any outcry throughout Central or South America about the fact that these were phony elections. They were. It was generally accepted that they were well-controlled to the point of having five or six parties.

The whole thing was a fraud and yet there was no public outcry from the region. What is written into this accord that would deny the Sandinistas another opportunity to hold phony elections and what is your definition of a free, or a fair election, with regard to Nicaragua?

Mr. KOZAK. I will split that into two questions. First, the 1984 experience. I would say there are a couple of differences now from 1984. One is that the Sandinistas, unlike at that time, have made international commitments to their neighbors that they are going to have free and fair elections. So people have to hold them accountable, that maybe, they did not have before. Certainly their level of interest in it is much higher from our discussions. You know, we have other governments sending their electoral tribunal experts there to review the laws in advance, not waiting until after the election.

Second, another key difference from 1984 is that this time the opposition is participating in the process. In 1984, they basically reached the position where they said: "Unless the Sandinistas make changes that are acceptable to us we will not have anything to do with this process." It ended up that the bulk of the opposition parties were outside the process, based on that.

This time they have become actively engaged in a rather united way early on. They have a unity on the reforms that are necessary, so there is a lot of focus on them and that helps. That is not a guarantee, as the Secretary said.

There is also the question of incentives and disincentives. We have said there are some things that we could do—in the diplomatic area, largely—to show our approval if they do perform on their promises. And there are some things that we can do to show our disapproval if they do not.

On the question of the standards, what is a fair, free election? I suppose part of the answer is you know it when you see it. It is like

pornography. I think we all have a pretty good idea of what is a free election and what is an election where it is being rigged by the government.

But I think the most fundamental standard there is going to be that of the Nicaraguan people.

Senator KASTEN. Can I interrupt you at that point? We had elections. We might all have a pretty good idea of what they are and we might know them when we see them. But we had elections in 1984 and it they were phony and there was no public outcry with regard to the fraud of these phony elections.

Mr. KOZAK. I think again this is the important reason to get going in advance, unlike 1984. Here, we are talking about the OAS putting in observers, perhaps, the organization CAPEL in San Jose would also be encouraging. I think one very important thing will be to have Members of the U.S. Congress going down there and watching this thing, and not just on election day.

What the other Central Americans are talking about is getting people in there now. As you well know, it is not just the fairness of the vote count on election day that makes for a fair election but access to the media on the part of the opposition; the parties' ability to assemble and organize politically, those sorts of things. That is where you need a lot of international observation over the next several months.

This is also why I come back to the point of what constitutes fair standards. At the end of the day, what is going to be critical is whether or not the Sandinistas have sat down with their opposition and come up with something that is acceptable to the Nicaraguans who are on the receiving end of this.

We can all stand here and say we think this change is more important than that one and we may each have slightly different opinions, But the people they have to satisfy are the Nicaraguan people; I think that is where we want to give our backing. As long as they are making demands that are legitimate. That is the first test. Will the Sandinistas sit down and work this out with them.

### TECHNICAL ASSISTANCE TO AID ELECTIONS

Senator KASTEN. Let me ask one final question. I am pleased that the Senator from Iowa, Senator Harkin, is here because a few years ago we were faced with the question of whether or not free and fair elections could occur in Chile. This is a question coming from the Democrats, where the Senator from Iowa was successful in passing an amendment that provided $1 million for technical assistance to the election in Chile. Would something like this be appropriate in Nicaragua?

Mr. KOZAK. Yes; I think it would, assuming that the Nicaraguans make the changes that allow any outside assistance to come in. That is one of the issues in contention. They have a ban right now on any outside assistance.

Senator KASTEN. Is that not an important point?

Mr. KOZAK. Absolutely.

Senator KASTEN. Until now the Sandinistas have not allowed any outside assistance or any outside observer groups.

Mr. KOZAK. That is correct and so these are some of the things——

Senator KASTEN. So if we were to pass an amendment similar to the amendment that we passed a couple of years ago with regard to Chile, the Sandinistas would not allow that technical assistance money to be used in the election, as of now?

Mr. KOZAK. That is correct, as of now. That is one of the demands that the opposition parties have made, to provide for or to remove the ban on outside funding and assistance.

Senator KASTEN. Thank you, Mr. Chairman.

Senator LEAHY. Thank you. Senator Harkin?

NATIONAL ENDOWMENT FOR DEMOCRACY

Senator HARKIN. Thank you, Mr. Chairman. I am glad I arrived when my name was recently invoked on this matter. I think the National Endowment for Democracy [NED] experience in Chile was a very positive experience and one that worked very well. I have frequently argued that it is much better to support open, overt assistance to promote fair elections than it is to have secret, covert assistance, which is one of the reasons for problems with the 1984 election in Nicaragua.

In 1984, the U.S. provided covert assistance to influence those elections. I think it is better if we just do it in an overt way, as NED did in Chile where it offered the parties technical assistance, polling, registration assistance. We also provided $100,000 that NED provided for international observers to monitor the plebiscite. I do not think anyone can argue with that. I think that is a good way to go.

I am concerned, however, about what will be done over the next year during the presidential elections in Nicargua. The Senator from Wisconsin earlier mentioned the elections in November 1984. At the time, according to informed sources, the CIA—working at loggerheads with the State Department—did not play a very constructive role in that election.

The CIA along with hard-liners in the Reagan administration worked with elements in the Nicaraguan opposition to discourage Aturo Cruz from running in those elections. Do not take my word for it. Listen to Carlos Andres Perez, the current President of Venezuela.

In 1984, Perez worked with the Sandinistas and the opposition to try to enable Cruz to run. Perez is quoted as saying, "The CIA had given instructions, had put pressures, against Cruz's candidacy and therefore it was not accepted." Perez went on to say regarding the CIA: "They just did not want someone with the prestige of Cruz to enter the elections because it would validate them. They wanted to demonstrate there was no freedom of elections in Nicaragua."

In 1984 the Agency and other hard-liners wanted to discredit the elections, leaving only the military option for U.S. policy. I sincerely believe the United States and the Nicaraguan opposition missed a golden opportunity in 1984 by taking that kind of a tack. I hope we do not repeat the same mistake in February 1990.

Again, my question would be one of, who signed off on the policy represented by the bipartisan accord for Contra aid? Has the

Agency signed off on it? Has everyone in the administration signed off on it?

Mr. KOZAK. The President of the United States signature appears on the accord, so I think that is probably a pretty good guarantee that it is administration policy, Senator.

INVOLVEMENT OF CIA IN ELECTIONS

Senator HARKIN. Can you give us assurance that the Agency, the Central Intelligence Agency, will not be involved in any way in these forthcoming elections?

Mr. KOZAK. I cannot talk about alleged intelligence activities in the past and in open session.

Senator HARKIN. I am saying, can you give us assurance that they will not be involved?

Mr. KOZAK. I do not want to answer and it is not because I am hiding something. It is just not the appropriate forum to be talking about whether the Agency is involved in anything or not involved in anything, or would be.

I would say that we do share your view that the effort that was made in Chile—the NED involvement—that that overt process of dealing with the elections was an excellent approach, one we hope to see repeated in Nicaragua if the Sandinistas will allow NED in there to engage in similar activities.

We want to see free, fair, hotly contested elections next year. Whatever suspicions may exist about 1984, the policy now is let us see a real political contest in Nicaragua and the first step is to get the conditions established. This is why the timetables in this thing come out of the Tesoro Beach Agreement. The Sandinistas promised there that by April 25 they were going to reform their electoral laws and so that is what we are saying. Let us see you do it and the way you have to reform it is in a way that is satisfactory to the opposition, or at least meets their legitimate demands.

No one is—I do not think either we or the Central American countries or Carlos Andres are giving them a blank check, but I think all of the experts that have looked at this so far think that their demands are pretty straightforward.

Carlos Andres Perez had a team of his electoral experts go to Nicaragua to look at the situation. President Arias has done the same thing. Those findings are in the mix along with the letter from the opposition parties internally—which range, by the way, from the Communists to the conservatives.

They have all gotten together on the kinds of changes in the procedural laws that are necessary to make for a free election. There has been just this week a meeting between the internal opposition and the resistance in Guatemala and the resistance likewise is endorsing that kind of change.

So there is a great deal of unity both amongst Nicaraguans and, I would say, also amongst our Central American friends and Venezuela on the kinds of changes that are required here. Fundamentally it is going to take the Sandinistas saying let us sit down and try to accommodate the legitimate demands of our political opposition rather than just issuing reforms by fiat to make this thing get off to a good start.

UNITED STATES NEUTRALITY TOWARD NICARAGUAN ELECTIONS

Senator HARKIN. In the recent El Salvador elections the United States maintained an actual posture and policy of neutrality. Will we maintain that same kind of posture and policy with regard to the Nicaraguan elections?

Mr. KOZAK. As to whether we would like to see the Sandinistas win an election or whether we would like to see the opposition win, I think what we would like to see is a fair election, Senator.

Senator HARKIN. Well, I think everyone recognizes that the United States would like to have seen the Christian Democrats win in El Salvador. That was not a very well-kept secret. But again, in terms of the electoral process in El Salvador, the United States kept their neutrality. I want to know if the United States will maintain that same kind of neutrality in the Nicaraguan elections.

Mr. KOZAK. I think what you have in El Salvador was what I think is widely perceived here and throughout the world to be a fair electoral process and you had two main parties. There were some smaller parties also running that all had an equal opportunity to compete.

If that situation exists in Nicaragua or anywhere else I think you would find the same attitude. It is a question of whether you have got one side being grossly disadvantaged or not by the situation and that is where we are going to have to see how this plays out.

STATE DEPARTMENT ATTITUDE

Senator HARKIN. Again, I am still concerned about residual attitudes remaining in the administration. Residual attitudes concerning Nicaragua held over for all of these years—that keeping up the military option, keeping up this tremendous amount of pressure and economic embargoes, is the only way to proceed with our relationship with the Government of Nicaragua.

In that regard, I express a concern to you, I will be watching very closely the actions of the Department and the CIA in the forthcoming months to this end. That in Chile when the Pinochet government set down the rules of the game, the opposition parties initially did not like the rules of the game. They argued for different rules. But the Pinochet government kept its rules. Play by them or do not. The opposition decided that they would play by Pinochet's rules. They played by the rules, and they won.

My concern is that we may get into some kind of a situation in Nicaragua where the rules are outlined. Those rules may be acceptable to the international community, to the Organization of American States, and to Nicaragua's neighbors.

But for some reason the State Department may not like those rules and say, well, we cannot abide by them. We then insist on different rules, and try to polarize one situation in Nicaragua. It is a definite concern I have.

Now, if attitudes have changed down at the Department, fine, and we are not going to have that situation then, fine. But I am very concerned that some odd attitudes might persist.

Mr. KOZAK. Senator, I do not know if it will reassure you any but I would say we are in deep consultations with the other countries

in the region. I mean, it is they who are sending their electoral experts there and coming back with reports.

Carlos Andres Perez, President Arias, they have both sent members of their electoral tribunals to go and inspect the situation. They are saying to us that the demands of the opposition parties are reasonable, that they have not asked for constitutional changes, for example. They are changes in the electoral laws and regulations.

One of their demands is that people like NED be able to come in, that the prohibition that now exists under the Sandinista law on any outside assistance be removed so that NED could function. We think that is a good thing and we ought to support them.

But what we have tried to do is rather than getting caught up at this point in us supporting some particular agenda of changes in the electoral law, we have been trying to focus on a process.

How do you get changes in the electoral laws that will give confidence to the people who are going to be affected by them? The best way we can think of is to support the idea that the other countries are supporting, that the Sandinistas ought to talk to their opposition. That is what Esquipulas calls for and what is stopping them?

On the broader question that you raise of economic embargoes and pressure and that sort of thing I guess I would have two points. One is that I think the approach on that has been set through the bipartisan accord here between the Executive and the Congress.

Second, just from a personal standpoint I would say if people want to do the right thing, to institute democracy, they cannot be stopped by these external pressures. I have never found it a valid excuse that the Sandinistas say well, we cannot have fair elections until you drop the embargo, or something like that. If they wanted to do it they could do it tomorrow. We hope they will. Now how you modulate pressures and so on, that is the art of diplomacy. That is what the Secretary has been working at so hard.

But what we are really looking for is for things to start happening there, for those promises to be kept.

### APPROPRIATIONS FOR NED

Senator HARKIN. Will it take a separate action by this subcommittee in terms of appropriations if NED wants to spend money in the Nicaraguan elections, or can you do that under existing authority?

Mr. KOZAK. I believe that we can do that under existing authority, senator.

Senator HARKIN. How much can you spend under existing authority?

Mr. KOZAK. That is a question of what NED's allocation is. They can always use more. I am a big supporter of more money for NED because their activities in Chile were excellent. They are involved in Panama now and we wish they had more capacity. I guess if we can get them in there and if they are short on funds I think you will have us right back up here asking for help, if there is any lack of funding or authority.

Senator HARKIN. You cannot go beyond what we authorized or what we appropriated for NED. Are there any other authorities that exist that allow you to spend money in the Nicaraguan elections that are separate from our appropriations for NED?

Are there other authorities under which you can spend money in Nicaragua for the elections there that is distinct from, separate from, the NED appropriation?

Mr. KOZAK. There would not be any unless it is authorized by Congress.

I should also mention——

COVERT AID FOR NED

Senator HARKIN. You are not aware of any other authorities that would permit you to spend moneys that are not provided by this subcommittee for NED?

Mr. KOZAK. I can see where you are headed, Senator, and obviously that is not something I can answer here. Again, without trying to imply anything one way or the other, I do not think we can talk in open session about whether there is some other source, potential source of funding in something like this.

I wanted to mention with respect to NED——

Senator HARKIN. You raised some real concerns again that, again, if it is overt, if it is aid like in Chile—for example, Chile has 13 million and Nicaragua has 3 million people. We spent $1.1 million in Chile and everybody knew it. It was open, it was aboveboard.

Well, we spent $1.1 million in Chile with 13 million people and all of a sudden you are telling me that there may be other avenues of putting money into the Nicaraguan elections. What are we looking at?

Mr. KOZAK. Senator, what I am saying is that if you ask me are there authorities to engage in covert action in the law? Of course there are in a general sense. If you ask me are you doing that or would you do that in England, France, Afghanistan, and Nicaragua, I cannot answer you in open session. That is all I am saying.

AID WILL ADMINISTER AID

Senator LEAHY. If the Senator would yield, this compromise package directs that the money goes to AID, is that not correct?

Mr. KOZAK. That is correct.

Senator LEAHY. And there is no funding in here that is given the authority to go directly or indirectly to the CIA, is that correct?

Mr. KOZAK. That is correct, Mr. Chairman.

Senator LEAHY. I mention that because for years we tried to substitute a covert action policy for a foreign policy in Central America, and I concur with the Senator from Iowa. I do not want to see us go back to that, but on this specific program, the money is AID and only AID.

Mr. KOZAK. That is correct, Mr. Chairman. I think there is also a specific prohibition in the bill that is carried over from existing law that no additional assistance can be provided to the Nicaraguan resistance unless the Congress enacts a law specifically authorizing such assistance.

So, my reluctance with respect to Senator Harkin's question is not meant to imply some agenda here, but simply to deal with the general problem that you always have out there that the Congress could through appropriate procedures authorize programs anywhere in the world, and we obviously cannot talk about them in an open session. But that is the only point I am making on that.

I would say also I wanted to pick up—there is another potential source of funding namely ESF, but both with respect to that and the NED activities, we do have a problem—the Brooke-Alexander amendment problem.

Nicaragua is in arrears on their payments on United States Government loans, and that gets us always into a complication. There is a provision in the Foreign Assistance Appropriations Act that precludes you from spending funds under that act to benefit any country—not just the Government, but anybody in the country if the Government is in arrears on their aid payments—and Nicaragua is in that status. So, that is a potential source, but it is fenced off because of that prohibition in existing law.

That is pretty esoteric.

### BANNING COVERT ACTIVITIES IN NICARAGUA

Senator HARKIN. Would the administration accept an amendment that would ban covert activities by the CIA in Nicaragua during the period of the elections process?

Mr. KOZAK. Senator, I think the position the administration has taken with respect to this legislation is that we would like to see no amendments at all. This was a very finely balanced accord that was worked out with the bipartisan leadership with the administration and, you know, people have suggested virtuous amendments that we would be very happy to see and some others that we might not be so happy to see. But the minute you start opening that up, it is Pandora's box.

And so I think our position has been that this does what the bipartisan accord set out to do, which is to extend the current program, and it does that cleanly and simply.

Senator HARKIN. Would you accept an amendment on the intelligence authorization bill that would specifically ban or prohibit covert activities inside Nicaragua on behalf of parties?

Mr. KOZAK. I think that is something that should be discussed in the context of the intelligence authorization bill and that committee.

### MONITORING NICARAGUAN ELECTIONS

Senator HARKIN. I know there is a vote on. I have a couple more questions.

How will you make the determination that the elections are conducted fairly? How will you make that determination?

Mr. KOZAK. As I was saying, I think initially what we would like to do does not involve just us. Obviously, we have to make our own judgments. When I speak of us, that includes both the Congress and the Executive as to what our own reactions, our response in policy terms would be. But a lot of the input to that is going to be based on what people who observe these elections feel about them.

This is why we are encouraging the maximum in terms of foreign observers and domestic observers going in there. We would like to see NED in there. We would like to see CODEL's in there. We would like to see the OAS in there. We would like to see Venezuela and any other countries that have taken an interest get in there and foreign journalist and so on.

Transparency is the best guarantee.

Senator HARKIN. I agree with you on that.

The Tesoro Beach accord of February 14 provides that delegates of OAS and United Nations will be invited to Nicaragua during the process. Will we be providing any support for the OAS and United Nations for these activities and, second, will we accept in their conclusions about the elections.

Mr. KOZAK. We have spoken both with the Secretary-General of the OAS and with the Secretary-General of the United Nations about their verification activities. We are supportive of that.

We would like to see, as I said, the maximum amount of verification going in. They are sending study teams and so on. They will see what kind of funding problems they have and so on. We will try to be helpful.

Senator HARKIN. We will try to be helpful in funding for the United Nations and OAS. Thank you. Can we submit our questions in writing?

ADDITIONAL COMMITTEE QUESTIONS

Senator LEAHY. Yes; I will keep the record open for questions in writing.

Mr. Kozak, Secretary Baker called the Contra policy "the most divisive in recent history," and I think he is right. As I said earlier, we tried to substitute a covert action policy for foreign policy which never worked before. It did not work now and in my estimation—and this is not a question—I do not want to put you on the spot—but in my estimation as one Senator, it was a disaster for Central America in as many ways as it was for the United States.

So, I hope that we do not have a situation that would develop that would cause you or the administration to return to that failed policy.

Many of us are willing to take a leap of faith that there is going to be a change, and I think a number of the Central American countries want us to do that.

And perhaps, as I said earlier, the Soviet Union would realize that this may well be a watershed and take part in it.

So, the questions that Senator Harkin has asked are significant ones. I realize that some cannot be answered in this kind of a session, but I think it also points out some of our own, the concerns of all of us.

There will be some additional questions from various Senators which we will submit to you for your response.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

# QUESTIONS SUBMITTED BY SENATOR LEAHY

## U.S. POLICY TOWARD NICARAGUA

SENATOR LEAHY: What specific actions does the Nicaraguan government have to take before the Administration will lift the trade embargo?
MR. BAKER: The trade embargo is one of an array of diplomatic and economic measures currently being employed by the United States to encourage the Sandinistas to fulfill the pledges they have made regarding democratization in Nicaragua. Modification of any of these measures will depend on substantial progress being made in Nicaragua toward the goals outlined in the Bipartisan Accord, namely, democratization, an end to subversion and destabilization of its neighbors by Nicaragua, and an end to Soviet-bloc military ties that threaten U.S. and regional security.

SENATOR LEAHY: Does the Administration plan to take any specific diplomatic steps to improve relations with Nicaraguan government prior to the February 1990 election? Do you plan to offer direct discussions with the Nicaraguan government about mutual security concerns? Do you believe this would be useful to demonstrate the Administration's commitment to support the Central American peace plan, as President Bush has said he plans to do?
MR. BAKER: The Administration is considering many diplomatic options with regard to Nicaragua. We support the use of incentives and disincentives to achieve U.S. policy objectives. In the past, the Sandinistas have used bilateral talks as a means of undermining the regional peace process. The Bipartisan Accord between the President and Congress demonstrated the Administration's commitment to the initiatives taken in the Esquipulas and El Salvador accords. While the question of whether to renew talks with the Sandinistas is under constant review, we do not intend to engage in such talks at the expense of the regional peace process and progress toward peace and democratization. Our Embassy in Nicaragua is available to meet with the Government of Nicaragua at any time.

SENATOR LEAHY: Have you abandoned former President Reagan's goal of overthrowing the Nicaraguan government?
MR. BAKER: The Administration believes that the people of Nicaragua are entitled to full personal and political rights, including the right to choose their government in free and fair elections. We are committed to pursuing the attainment of those rights by the people of Nicaragua.

SENATOR LEAHY: In November, when congressional leaders have to approve the final three months of assistance under the new aid package, what should we look to the Nicaraguan government to have done? What progress do you expect to have been made by that point? What do you expect to have happened by the February 1990 elections?

MR. BAKER: By the time of the February 1990 elections, we would like to see the Sandinistas comply with the commitments they have undertaken in the Esquipulas II, Alajuela, Sapoa and Tesoro Beach accords. Specifically, we want to see the Sandinistas: establish a national reconciliation, including a meaningful dialogue with all opposition groups and full amnesty for exiled Nicaraguans; cease hostilities with insurgent groups; achieve full democratization, including freedom of the

press and complete pluralism of political parties; hold free, pluralistic and fair elections; cease all aid to insurgent movements; prevent of the use of their territory as a staging ground for attacks on Nicaragua's neighbors; provide protection of and assistance to refugees and displaced persons; cooperate with its neighbors to attain economic development in the region; and support facilities and mechanisms for international verification of its progress. The Administration expects the Sandinistas to live up to their commitments in the accords, and we encourage members of Congress to take a role in investigating and verifying Nicaragua's progress toward democracy.

NICARAGUA RESISTANCE

CHAIRMAN LEAHY: I have received disturging reports about the forced recruitment of Nicaraguan citizens by the Contras, and have attached the relevant portions of a letter I received in April 19[illegible] which contains information concerning four such individuals. I have since learned that two of them have returned to Nicaragua.

Can you verify the accuracy of the contents of this letter? Were these individuals forced to join the Contras and held against their will? (Please indicate the sources of your information.) Have you received reports of similar cases? What have you done to ensure that Contras have access to representatives of the International Red Cross, UNHCR, or other neutral organization to determine if they wish to return to Nicaragua or resettle elsewhere? What action will you be taking under the new Contra aid legislation to ensure that individual Contras can freely decide whether or not to resettle?

SECRETARY BAKER: This is an interim reply to your query regarding allegations of forced recruitment of Nicaraguan citizens by the Nicaraguan Resistance.

We have asked our Embassy in Honduras to look into the allegations, of forced recruitment provide us with information of any additional reports of similar cases as well as current procedures with regards to access to Resistance camps by non-government organizations.

CHAIRMAN LEAHY: The Indian population on the East Coast of Nicaragua totals 10% of the Nicaraguan population and is an important element to a lasting resolution of the conflict in Nicaragua and to the creation of a peaceful, fair and democratic Nicaragua.

Brooklyn Rivera represents the majority of the Indian people on the East Coast of Nicaragua yet the United States government does not appear to have a policy toward Mr. Rivera or the Indian population in general.

What is the Administration's policy toward the Nicaraguan Indians and Brooklyn Rivera? Will a high level official of the Administration be meeting with him?

Many of the Indian people are concerned that the United States over the last seven years seems to have encouraged division, not unity, among the Nicaraguan Atlantic Coast Indian population. Yet, with the new hope for peace in the region, the Indian people would be best served by a united negotiating front.

How will the United States encourage unity and reconciliation among the Indian leadership as well as with the Nicaraguan resistance leaders?

In 1987, the U.S. Congress set aside $5 million for the MISURASATA Nicaraguan Indian Organization through the

leadership of Brooklyn Rivera. In 1988, it provided $2 million to the YATAMA follow-on organization, again through Mr. Rivera. Yet, it is my understanding that none of these funds have reached Mr. Rivera and that some of the funds have been diverted to other Indian factions.

Can you detail the use of these funds? Who specifically received them? What was their ultimate use? Are there funds that remain unused?

SECRETARY BAKER: US policy towards the Nicaraguan Indians of the Altantic Coast is not greatly different from our policy towards Nicaragua in general. We would hope that promised Sandinista political and economic reforms would encourage all Nicaraguans to return to a democratic and free Nicaragua. In addition, the Sandinistas will have to discuss seriously with the Indians their concerns about autonomy and the preservation of their culture.

Brooklyn Rivera has long contended that he is the leader of the YATAMA Indian organization. The organization is split into a least two factions. Rivera was expelled last year by the faction which holds the allegiance of the YATAMA resistance army; that faction is represented on the Directorate of the Nicaraguan Resistance by Wycliffe Diego. One factor that had divided the two factions has been their disagreement over the usefulness of negotiating with the Sandinistas. Rivera's expulsion was occasioned by his insistence on unilateral negotiations. In meetings with State Department officials last year after the Sandinistas had stonewalled Mr. Rivera's negotiations initiative, Mr. Rivera said he had gone from optimistic to cynical on the subject of Sandinista good intentions. Who leads the Indians is, of course, for them to decide, but if Mr. Rivera has indeed changed his point of view, perhaps he would be more acceptable to those who are less willing to believe that the Sandinistas have changed their policy and behavior towards the people of the Atlantic Coast. The USG would not oppose a united negotiating front among the Indian factions, but to this point divisions run deep, and the Diego/army faction has preferred unity with the Nicaraguan Resistance, and participated with the Resistance in the Sapoa negotiations.

Regarding the expenditure of USG assistance funds, the 1987 funds were given to the Indians and spent to the extent the Indian resistance could absorb the funding. The 1988 humanitarian assistance funds were spent on the YATAMA Indian forces located in Honduras. The Government of Nicaragua did not allow these funds to be spent inside Nicaragua, where Mr. Rivera claimed those forces loyal to him were located. (The GON also cancelled spending in Nicaragua under the Children's Survival Program and blocked equipment deliveries to Cardinal Obando's verification commission effort.) Unspent funds earmarked for YATAMA from the April 1988 program were returned to the Treasury.

CHAIRMAN LEAHY: During the past eight months that the Contras were receiving only "humanitarian" aid from the United States, I received numerous report of military activity by the Contras. Did the Contras conduct armed attacks during that period? Approximately how many casualties resulted, both civilian and military, on both sides? Can you assure me the Contras will not engage in any military action during the next ten months? How will you monitor Contra activities inside Nicaragua?

SECRETARY BAKER: The informal truce between the

Resistance and the Sandinistas has been fragile since it was initiated at the end of the Sapoa talks. The Resistance has been without military aid during this period, and the resulting lack of ammunition is the primary reason they have largely been forced to pull back to the Honduran sanctuary. There have been clashes with the Sandinistas, but we estimate that in most cases, again because of the ammunition shortage, the Resistance was in a defensive mode. The Sandinistas have conducted a continuous "silent offensive" during this time against the remaining Resistance units in Nicaragua and against Resistance sympathizers. The silent offensive has been the topic of press articles. We do not know how many casualties have resulted from these clashes. We have informed the Resistance political and military leadership on several occasions that under the bipartisan accord, we will have to terminate assistance if they adopt a policy of offensive operations. Again, their ammunition situation does not lend itself to an offensive strategy. We are unable to monitor very well Resistance activities in Nicaragua for several reasons, including communications security on their part. Another is that we are no longer able to provide communications gear under our assistance program, and some units are losing the capability to report as their equipment deteriorates.

CHAIRMAN LEAHY: What military aid are the Contras receiving from sources other than the United States? What aid and from what sources other than the U.S. do you expect the Contras to receive during the next ten months? What military aid did the Contras receive and from what sources during the past eight months? (To each question please indicate how much aid, in what forms, and from what sources.) Please supply this information in classified form if it cannot be supplied in the public record.

SECRETARY BAKER: These question should be directed to the appropriate committees of the Congress.

CHAIRMAN LEAHY: Is the Administration currently doing anything to encourage other governments or private parties to supply aid of any kind to the Contras? If so, who and what aid?

SECRETARY BAKER: No

CHAIRMAN LEAHY: How many Contras have returned since the Nicaraguan government announced that it would grant amnesty to most Contras who return? Does the Administration have any reports of harassment or mistreatment of Contras who have returned? How many of those individuals have been mistreated and in what way, and what is the source of your information?

SECRETARY BAKER: Although the Sandinista government has offered amnesty to Resistance members for some time, the Resistance does not accept the concept of amnesty since it is an admission of guilt. The Resistance holds that the Sandinistas have sold out the revolution to Communism, and that the democratic opposition is the bearer of the true revolution. We do not know haw many Contras have accepted amnesty and returned to Nicaragua, but we suspect the number is small. We have several reports that Contras who have returned to Nicaragua and accepted amnesty have suffered for it. The most famous is the case of "Comandante Moises" who was killed by the Sandinistas after accepting amnesty. We are checking with the Nicaraguan Association for Human Rights on the accuracy of the reports.

REPORT ON CONTRAS

SENATOR LEAHY: Please supply me with a copy of the report on the Contras recently completed for USAID by Robert Gersony.

MR. BAKER: That document is classified, and we will be providing you with a copy.

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## QUESTIONS SUBMITTED BY SENATOR DECONCINI

CONTRA AID

SENATOR DECONCINI: The Bush Administration reached agreement with the leadership on Capitol Hill on March 24, 1989 to provide for a bipartisan agreement on additional aid to the Nicaraguan Contras. The Administration has stated that its long term goal is to promote democracy in Nicaragua and to provide freedom of expression for the Nicaraguan people. the funds requested in the agreement would provide a continuation of humanitarian assistance to the Contras as well as support for the "voluntary reintegration and voluntary regional relocation" of the Contras.

As there are no provisions in this aid package for the prospect of renewed military assistance if the Sandinistas fail to follow through on free elections next year, what type of leverage do you envision the Bush Administration using to ensure that the long term goals are realized?

MR. BAKER: While there is no provision in the Bipartisan Accord for the renewal of military assistance to the Nicaraguan Resistance, the Administration reserves the right to return to Congress and seek such assistance in the event that the Sandinistas fail to fulfill their commitments under Esquipulas II and related accords. In addition, the United States is employing an array of diplomatic and economic measures to encourage the Sandinistas to continue their reform efforts. We have established a system of incentives and disincentives that we can use in a manner consonant with the rate of Sandinista reform.

SENATOR DECONCINI: Is the section of the Bush package calling for support for additional economic assistance to the other democratic countries of Central America designed to promote the support of these nations for this agreement?

SECRETARY BAKER: The Bipartisan Accord does not call for additional economic assistance to the Central American democracies. However, the Bipartisan Accord is designed to support Central American efforts to achieve peace and democracy in the region.

SENATOR DECONCINI: Mr. Secretary, as a signatory to the Arias Peace Plan and a democratic partner in Central America, the United States has a legitimate interest in ensuring future peace and stability of the democratic process in the region. Costa Rican President Oscar Arias has met with the President and indicated his tacit support for the agreement. It is unclear, however, what discussions this Administration has had with other countries in the region.

To what eextent has the Bush Administration involved the other Central American countries in the development of the aid package or the implementation of the package's goals?

MR. BAKER: Of course, we continue to consult with all the Central American democracies on how we can work together toward

the common goals of democracy in Nicaragua and peace and stability in the region as a whole.

As our Bipartisan Accord states, providing humanitarian aid for the Nicaraguan Resistance -- at least through the promised elections early next year -- is intended to help us reach those goals. Central America's democratic leaders understand and, we believe, support this approach.

Already this year, President Bush has met with the presidents of Guatemala, Costa Rica, and Honduras and the president-Elect of El Salvador to consult on how we can advance the regional diplomatic process; in addition, Vice President Quayle has visited El Salvador as part of this process.

In our continuing dialogue with our friends in Central America, and throughout the world, we have also stressed that steady diplomatic pressure must be applied so that the Sandinistas will finally keep thier pledge to give the Nicaraguan people the genuine democracy they deserve and for which they have been fighting.

SENATOR DECONCINI: Has any thought been given to using the possible leverage provided by other countries such as Mexico, which has open lines of communication with both the United States and the Sandinistas, and Venezuela to ensure that the Sandinistas fulfill their guarantees of free elections next February?

MR. BAKER: As I have stated Senator, the Administration is using a variety of diplomatic means to encourage the Sandinistas to fulfill their commitments under the Esquipulas and related accords. Those means include consultations with the nations in the region and encouragement for any constructive role they might wish to play. As I am sure you are aware, President Perez of Venezuela has been particularly active in this regard.

SENATOR DECONCINI: Mr. Secretary, Secretary Gorbachev recently met with Cuban President Castro in Havana. Following their meeting, Mr. Gorbachev strongly criticized the United States and its policy in Central America. He attacked the Bush Adminstration's plan as a continuation of U.S. "interface" in the domestic affairs of sovereign nations. I would counter his statements by reiterating the obvious and legitimate interests the United States has of continued diplomatic, economic, and military involvement in our own backyard.

In light of the Havana talks and Gorbachev's subsequent rhetoric, is the United States government aware of what decisions, if any, were reached on Central American policy between Mr. Castro and Mr. Gorbachev during their meeting?

Do we know if Mr. Gorbachev tried to or was successful in influencing Mr. Castro to reduce Cuban military involvement in the region?

Given Secretary Gorbachev's assurances to former President Reagan of a decrease in Soviet military support and activity in Nicaragua, have you had any indications from Foreign Ministser Shevardnadze during your meetings with him about future Soviet involvement in the area?

MR. BAKER: Before responding to your specific questions, I would like to clarify two points. First, to our knowledge, General Secretary Gorbachev did not make the statements attributed to him in your question. Second, neither did he ever provide assurances to former President Reagan of a decrease in Soviet military support and activity in Nicaragua. What Gorbachev did say, at the time of the Washington summit (and which we would not accept) was that the USSR would

consider halting military aid to Nicaragua except for police weapons if we halted U.S. aid to our Central American allies.

We followed closely General Secretary Gorbachev's visit to Cuba and took note of his public statements, including his welcome renunciation of the doctrine of exporting Revolution. Beyond these statements, however, and subsequent inconclusive exchanges with Soviet officials, we have insufficient information from which to draw conclusions regarding specific decisions that may or may not have been reached on Central America between the two leaders.

Similarly, we have little evidence available to us to draw any conclusions whether Mr. Gorbachev tried to or was successful in influencing Mr. Castro to reduce Cuban military involvement in the region.

As for my recent meetings with Foreign Minister Shevardnadze in Moscow, Central America headed our agenda of regional issues of concern to the U.S. We had a full and detailed discussion on the problems we see facing the region. Shevardnadze noted publicly that the U.S. approach offered a good basis for future dialogue. We agreed to work toward a political and diplomatic solution to the problem of Nicaragua, and to support the goals of the Esquipulas and Tesoro Beach Accords. Those goals clearly move in the direction of reducing, if not eliminating, Soviet military support.

SENATOR DECONCINI: Mr. Secretary, a significant part of the Contra aid package, of interest to both Contra aid friends and foes, is the fact that aid shall be made available for the return of the Contra forces to Nicaragua. Some, such as President Arias, have argued that some of the aid should be used to encourage the Contras to return to Nicaragua and participate in the elections by running as candidates and supporting other opposition candidates. Others, however, believe that the majority of the Contra forces should remain in Honduras as a more or less viable force until appropriate condiditons exist to make possible their full participation in the democratic process. It is my understanding that the Administration is not urging the Contras to leave their camps at this time. Obviously, we are all supportive of a compete flowering of democracy in Nicaragua. The recently announced talks aimed at unifying the many opposition parties in Nicaragua behind a single candidate may bear fruit in providing a significant opponent to the Sandinistas. If the Administration's position of not enouraging the return of the Contras to Nicaragua at this time is the best way of achieving this goal, I would be interested in learning how the leverage of the package will be implemented in this instance. Could you explore for me the development of the Administration's policy on this point?

MR. BAKER: The Administration is encouraging those members of the Nicaraguan Resistance who so desire to return voluntarily to Nicaragua and to participate in elections there. I stress, however, that such reintegration must be voluntary. It depends upon the Sandinistas creating economic and political conditions that guarantee the reasonable safety and full civil, political and economic rights of the Resistance. The Nicaraguan government must first prove to the Resistance and to other exiled Nicaraguans that it will stand behind its guarantees of political, economic and social freedom for returning Nicaraguans. If the affected individuals conclude that those guarantees have been met, we are prepared to facilitate their return to Nicaragua by means of the humanitarian assistance package approved by Congress pursuant to the Bipartisan Accord. The United States would like to see all Nicaraguans participate in a free and fair electoral process.

# QUESTIONS SUBMITTED BY SENATOR HARKIN

## CONTRA AID PACKAGE

SENATOR HARKIN: Mr. Baker, have all agencies of the U.S. government signed off on the bipartisan accord? Will all agencies, including the CIA, respect the integrity of the process, and not attempt to sabotage these elections as was done five years ago?
MR. BAKER: Senator, the President himself signed the Bipartisan Accord, so naturally, all of the agencies under his command will abide by the Accord. I would reiterate, Senator, that we hope the Sandinistas will live up to the commitments they have made to conduct a free and fair election in which the opposition participates on equal terms, and we hope that the Congress will work with us toward that goal.

SENATOR HARKIN: Can you provide this subcommittee written assurances that the U.S. will not engage in covert support for the Nicaraguan opposition in next year's elections?
MR. BAKER: The Nicaraguan people must assume ultimate responsibility for their political system. The current electoral and media laws in Nicaragua, however, give the FSLN a clear advantage over the internal opposition parties. We do not currently know where the opposition will be able to obtain needed support, although we assume they will be in direct contact with their western European and Latin American counterparts.

SENATOR HARKIN: Can you give this subcommittee written assurances that the U.S. will take the same neutral position in next year's Nicaraguan elections as it did in this year's Salvadoran elections?
MR. BAKER: The goal of the United States in next year's Nicaraguan elections is not to assure the victory of a particular candidate or party, but to assure the conduct of free, fair and open elections by the Nicaraguan government. We will pursue that goal until a democratically-elected government in installed in Nicaragua.

SENATOR HARKIN: The Tesoro Beach Accord of February 14 provides that delegates of OAS and UN will be invited to be present in Nicaragua during the election process. What standard will the Administration use when determining whether the Nicaraguan elections are conducted in a free and fair manner? Are you prepared to accept the conclusions of the OAS and UN?
MR. BAKER: In determining whether the elections are conducted in a free and fair manner, the United States will look generally to see if it is an election that is as free and fair as those held in democratic countries. We will look at the following standards:

There should be direct, good-faith talks to achieve a consensus between the Sandinistas and the opposition on acceptable ground rules for the election;

There should be chosen a truly balanced Supreme Electoral Council, or CSE, whose membership is agreed to by consensus between the Sandinistas and the opposition;

The CSE should oversee all aspects of the campaign; assure the neutrality during the campaign of all government

entities, including the police, media and military; and be empowered to implement remedies in instances of interference with the principles of free, fair and honest elections from whatever source;

All prohibitions or restrictions on donations to political parties, media, religious, and human rights groups should be eliminated, and prohibitions on use of official resources by any entity during the campaign should be enforced;

A revised media law should be promulgated which eliminates all forms of censorship, restrictions on acquisition of needed materials from whatever source; guarantees all candidates equal amounts of time on government radio, television, and print entities; and provides for review by the CSE of any fines or suspensions prior to enforcement will be promulgated; and

Habeas corpus and amparo should be restored in full.

In applying these standards, as the Bipartisan Accord makes clear, the United States retains the ultimate right and responsibility to define the extent to which the Sandinistas have complied with their stated commitments.

A.I.D. FUNDING FOR VERIFICATION

SENATOR HARKIN: The contra aid package approved by Congress last March provided $10 million for the International Verification Commission consisting of the Nicaraguan Catholic Church and the OAS to verify provisions of the Sapoa Accord. It is my understanding that only $3 million of that $10 million has been obligated. Mr. Secretary, will those funds be made available to the OAS to assist it in monitoring the election process in Nicaragua?

MR. BAKER: The $10 million is intended to support the Verification Commission created under the Sapoa Accord, which consists of Nicaraguan Cardinal Miguel Obando y Bravo and Joao Baena Soares, Secretary General of the OAS. All of those funds have been committed under an agreement signed last May, and roughly $8 million remains unspent.

It is our understanding that the OAS is developing a plan for verifying the conditions for free and fair elections in Nicaragua. Secretary General Baena Soares is aware that these funds are available to verify free elections, democratization, freedom of expression, the cease-fire, and other reforms envisioned in the Sapoa and Esquipulas accords.

These funds are to support both members of the Verification Commission, and we have suggested to the OAS that Cardinal Obando be kept involved in this process, as Congress intended.

COSTS OF IMPLEMENTING THE REGIONAL ACCORDS

SENATOR HARKIN: Mr. Secretary, what do you estimate will be the U.S. contribution to the OAS and the UN for their monitoring of the region's borders and the Nicaraguan elections?

MR. BAKER: The UN will be involved in border verification but as yet has not decided on whether or not to monitor the elections. Without knowing at this time what UN parameters there will be on border verification it is

extremely difficult to estimate the cost of an enterprise that could encompass five countries. We do know there will be a need for aircraft (fixed wing and helicopters), vehicles, naval interdiction vessels, backup logistical support packages, and an indeterminant amount of personnel. While the U.S. is prepared to fully support a UN verification plan the cost of such an operation cannot be estimated at this time.

The OAS will be involved in monitoring the elections but as yet has not released any cost figures. As of two weeks ago a preliminary working estimate was put at $3,000,000.

SENATOR HARKIN: What is your estimate of what the costs will be for relocating those contras and their families still in Honduras next February?

MR. BAKER: To begin with, the objective of the policy is to create the kinds of conditions in Nicaragua where the Resistance could go back home and participate in the political system of their country. The bipartisan agreement we have worked out with the Congress after intensive consultations forms the basis for a diplomatic strategy which could establish such safe, democratic conditions. A calculation would be very difficult to make until we had a better idea of the progress we had made towards the goal of reintegration -- given success, that calculation would not have a very high figure for resettlement and might even include some assistance to Nicaragua. Since the bipartisan agreement also provides for regional resettlement, we again have a variable which we cannot calculate until we have an idea of the success of the process.

A couple of rough figures may be relevant, however. For planning purposes, we usually estimate that resettlement of refugees in the U.S. costs approximately $10,000 per person in direct federal government costs, exclusive of the burden on state and local entities. Moving all of the Resistance members to the U.S. would, therefore, involve a federal cost of over $700 million. Relocation of the Resistance to other countries of the region, based on experience with handling refugees, would likely exceed $250 million. But the Central Americans are not keen to accept additional refugees.

A critical variable is that unless you have created the political and economic condition in Nicaragua that allow a people to return, more are likely to come out in numbers that vastly complicate the existing problem -- particularly if they see we are offering relocation assistance. According, we believe that we should, for the moment, concentrate on getting the Sandinistas to fulfill their commitments and creating the political and social conditions that make Nicaragua an acceptable place for Nicaraguans to live, rather than speculating on the costs involved in a failure of the process.

SENATOR HARKIN: What is your estimate of the total costs for this package plus implementation of the regional accords--assisting in the demobilization of the contras and assurance of free elections in Nicaragua.

MR. BAKER: The U.S. would hope to contribute its fair share to the OAS effort to monitor the Nicaraguan elections. However, I can't give you a firm figure of the cost at this time. As noted above, the total cost is estimated, and I stress this is a preliminary estimate, to

be $3 million. Resettlement of the Resistance in the U.S. could cost as much as, $700 million, and within the region, to include Nicaragua, $250 million. Because of the many imponderables at this time it is impossible to place a price tag on future costs of the entire package.

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# QUESTIONS SUBMITTED BY SENATOR D'AMATO

## BIPARTISAN ACCORD ON CENTRAL AMERICA

SENATOR D'AMATO: What benchmarks have been set to mark the process of Nicaraguan democratization? Are democratization and the voluntary repatriation program linked? What mechanisms exist to renounce the agreement should it be discovered that the Sandinistas are operating in bad faith?

MR. BAKER: By the time of the February 1990 elections, we would like to see the Sandinistas comply with the commitments they have undertaken in the Esquipulas II, Alajuela, Sapoa and Tesoro Beach accords. Specifically, we want to see the Sandinistas establish a national reconciliation, as they have promised, through dialogue with opposition groups, decrees of amnesty guaranteeing the inviolability of life, freedom, property and security, and participation in a National Reconciliation Committee. We also want to see a cessation of hostilities directed against insurgent groups; full, authentic democratization; a cessation of all aid to irregular forces and insurgent movements in the region; and free, pluralistic and fair elections in which the opposition has a full opportunity to participate, based on the commitments made by the Sandinistas in the Tesoro Beach accord. The Administration expects the Sandinistas to live up to their commitments in the accords, and we encourage members of Congress to take a role in investigating and verifying Nicaragua's progress toward democracy.

As for the linkage of democratization and reintegration, the Administration encourages any members of the Nicaraguan Resistance who so desire to return voluntarily to Nicaragua and to participate in elections there. I stress, however, that the Tesoro Beach accord mandates that such reintegration must be voluntary. It depends upon the Sandinistas creating civil, economic and political conditions that guarantee the reasonable safety and full political rights of the Resistance. The Nicaraguan government must demonstrate to the Resistance and to other exiled Nicaraguans that it will stand behind its guarantees of political, economic and social freedom for returning Nicaraguans. If the affected individuals conclude that those guarantees have been met, we are prepared to facilitate their return to Nicaragua by means of the humanitarian assistance package approved by Congress pursuant to the Bipartisan Accord. The United States would like to see all Nicaraguans participate in a free and fair electoral process.

While there is no provision in the Bipartisan Accord for the renewal of military assistance to the Nicaraguan Resistance, the Administration reserves the right to return to Congress and seek such assistance in the event that the Sandinistas fail to fulfill their commitments under Esquipulas II and related accords. In addition, the United States is employing an array of diplomatic and economic measures to encourage the Sandinistas to continue their reform efforts. We have established a system of incentives and disincentives that

we can use in a manner consonant with the rate of Sandinista reform.

SENATOR D'AMATO: Could you give us the details of the proposed plan to reintegrate the contras into civilian life? What guarantees are being offered to the contras by the Sandinistas against future retribution? What political and economic preconditions must be met by the Sandinistas as inducements for the contras to return?

MR. BAKER: In the Esquipulas accord, the Sandinistas promised that all Nicaraguans who have left the country for political or other reasons will be allowed to return to Nicaragua, and to participate fully in political, economic and social life, without being penalized or persecuted in any way for their past political or military activities. Nonetheless, Resistance representatives returning to Nicaragua for negotiations on reintegration have been subjected to harassment and threats by the Sandinistas, while some Miskito Indians returning from the ranks of the Resistance have reportedly been killed. The Nicaraguan government must demonstrate to the Resistance and to other exiled Nicaraguans that it will stand behind its guarantees of political, economic and social freedom. Any agreement on a plan of demobilization, relocation and reintegration, or DRR, would have to provide for sufficient consultation with the Resistance in a non-threatening atmosphere, and for guarantees of safety and full civil, political and economic rights. Voluntary reintegration depends upon the Sandinistas creating civil, economic and political conditions that guarantee the reasonable safety and full political rights of the Resistance. The decision whether to return to Nicaragua is one that must be made by each affected individual, based on his or her personal evaluation of the value of the Sandinistas' guarantees. The Administration encourages any members of the Nicaraguan Resistance who so desire, based on such an evaluation, to return voluntarily to Nicaragua and to participate in elections there.

CONCLUSION OF HEARING

We will stand in recess and we will adjourn. We will come back as a full committee at 4 o'clock—probably at 4 o'clock this afternoon. We will get the word out. Thank you.

Mr. KOZAK. Thank you, Mr. Chairman.

[Whereupon, at 11:58 a.m., Wednesday, April 12, the hearing was concluded, and the subcommittee was recessed to reconvene at the call of the Chair.]

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